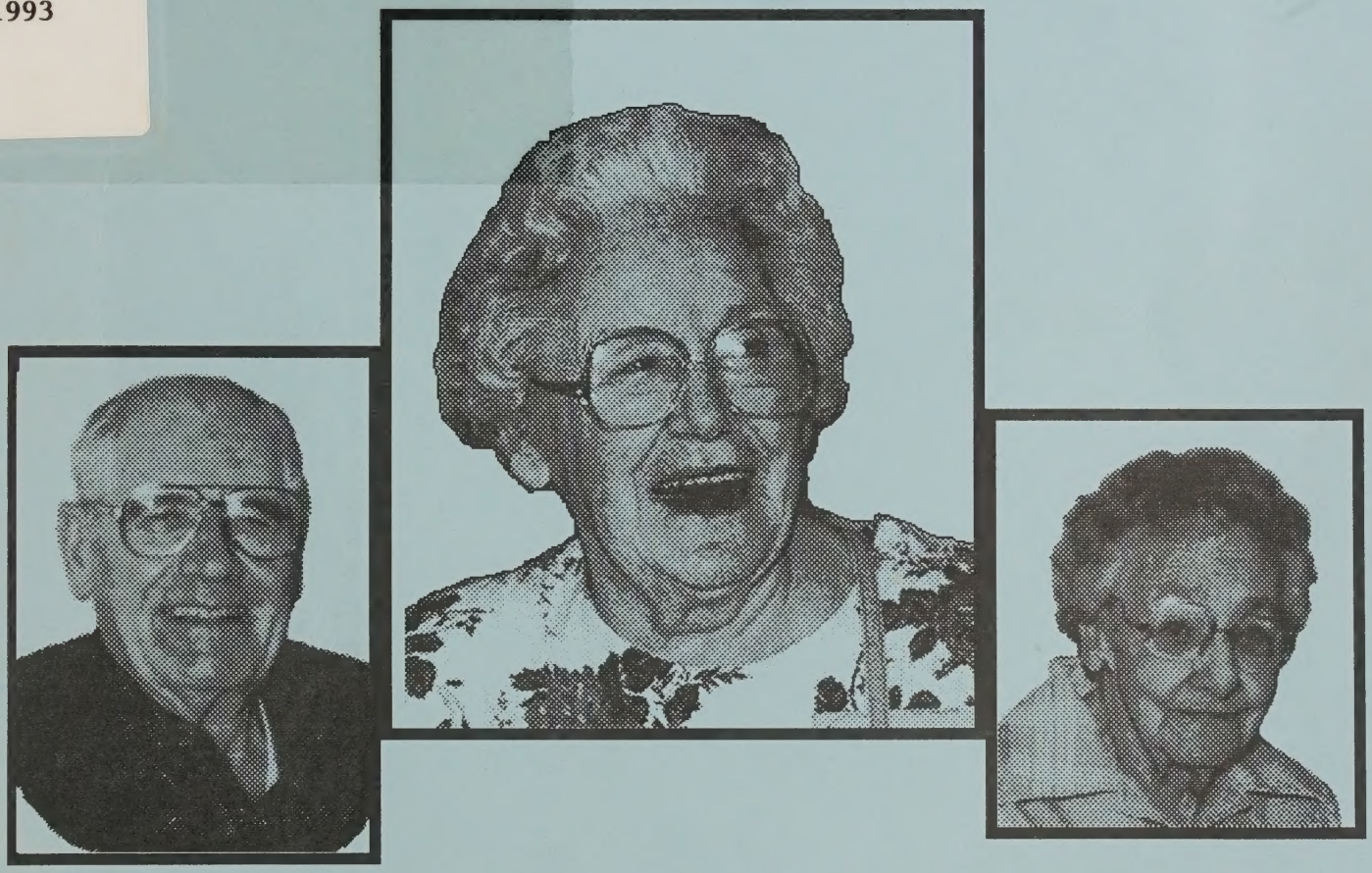
Child and Adult Care Food Program

Adult Day Care Handbook



United States Department of Agriculture
Food and Nutrition Service

The Child and Adult Care Food Program is an equal opportunity program. If you believe you or anyone has been discriminated against because of race, color, national origin, sex, age, or disability, write immediately to: Administrator, Food and Nutrition Service, 3101 Park Center Drive, Alexandria, VA 22302

October 1993

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Introduction

The mission of the United States Department of Agriculture's Food and Nutrition Service (FNS) is to alleviate hunger and to safeguard the health and nutritional well-being of the Nation through the administration of nutrition education and domestic food assistance programs. In communities all across the Nation, adult day care centers and facilities offer a variety of services to individuals who need special attention that might otherwise be available only in an institutional setting. Providing meals is one of these services and the Child and Adult Care Food Program (CACFP), administered by FNS, is available to help provide these services. The meal reimbursement received under the CACFP can finance a significant portion of an adult meal service operation.

The FNS recognizes that maintaining a high-quality, nutritious meal service requires a commitment to excellence on the part of the caregivers, and applauds the many dedicated persons who see to it that adult day care clients are served wholesome and nutritious meals in a sociable environment.

The purpose of this handbook is to help adult day care centers and sponsoring organizations of facilities meet Federal requirements for meal reimbursement under the CACFP. The handbook contains a wide range of information about the adult day care component of the CACFP, including explanations of key aspects of the Program, sample forms used in administering the Program, and definitions of Program-related terminology (Attachment A).

Direct any questions or comments to one of the various FNS regional offices listed in the Reference Section at the back of the handbook (Attachment B).

Chapter 1

Background

Legislative History

The adult component of the Child and Adult Care Food Program (CACFP) was authorized on November 10, 1987, when Congress amended the National School Lunch Act with Public Law 100-175 to allow certain adult day care centers to participate in the Child Care Food Program as eligible Program institutions.

In general, adult day care centers may participate in the Program in much the same manner and under the same terms and conditions as child care centers. The differences between the child care and adult day care components of the Program are those necessary by the nature and the ages of the populations they serve or those specifically required by legislation.

In developing the adult day care component of the Program, the United States Department of Agriculture (USDA) was influenced by the philosophy and policies of the National Council on Aging. It is clear from the legislative conference report, as well as from other statements of support offered by members of Congress which accompanied Public Law 100-175, that Congress envisioned Program benefits to be available to those served by the National Council on Aging.

Institutions eligible to participate under this legislation are:

- public or private non-profit organizations, or
- proprietary centers which receive Title XIX (Medicaid) and/or Title XX (Social Security Administration Block Grant) funding for at least 25 percent of their enrollees.

Other legislative requirements:

- Nonresidential care must be provided in a community-based group program which provides for individual plans of care and includes a variety of health, social, and related support services. Institutions providing this care must be licensed or approved to provide care for persons 60 years of age or over or chronically impaired persons 18 years of age or older.

- While institutions can participate in both the USDA's CACFP and the Older American Nutrition Programs, Title III of the Social Security Act, reimbursement for the same meal served is allowed under only one of the programs.

Who Administers the Program

The USDA's Food and Nutrition Service (FNS) administers the Program at the national level. The national office develops regulations and establishes policies necessary to carry out the Program.

State agencies or, in some States, FNS regional offices manage and direct the Program in each State. Attachment B provides a listing of the FNS regional offices. These offices can provide the name and address of the agency that administers the Program in your State. A chart showing an overview of the administration of the Program is provided as Attachment C.

Chapter 2

Eligibility Requirements

Organizations are eligible to participate in the adult component of the Child and Adult Care Food Program as independent adult day care centers or as sponsors of adult day care facilities. This Chapter provides information on the eligibility requirements for these centers and sponsoring organizations as well as on the facilities they sponsor. Also included are the eligibility requirements of individuals enrolled in both independent centers and sponsored facilities.

Who Can Participate

Three types of independent adult day care centers and sponsoring organizations can participate in the Program:

- public agencies, or
- private non-profit organizations, or
- for-profit organizations that receive compensation under Title XIX and/or Title XX of the Social Security Act for 25 percent or more of the enrolled adults.

Criteria for Participation

Independent centers and sponsored facilities must be licensed or approved by Federal, State or local authorities to provide nonresidential services to:

- chronically impaired disabled adults 18 years of age or older, or
- persons 60 years of age or older in a group setting outside their home on less than a 24-hour basis.

They must provide a community-based group program that is designed to meet the needs of functionally impaired adults through an individual plan of care. In addition, the program offered by each center and facility must be a structured, comprehensive program that provides a variety of health, social and related support services to enrolled participants.

Centers' and facilities' primary purpose must be to provide nonresidential care to functionally impaired adults. Simply providing services to frail and/or elderly adults (such as sheltered workshops, vocational or substance abuse rehabilitation centers, or social centers) does not meet Program eligibility requirements.

Independent centers and sponsoring organizations must agree to:

- accept final administrative and financial responsibility for operating the food service in centers and in any sponsored facilities;
- assume such duties as submitting applications for participation for themselves and for facilities under its sponsorship;
- provide training and technical assistance to sponsored facilities;
- ensure that meals served meet the meal pattern requirements;
- comply with requirements related to the financial aspects of the Program;
- provide adequate supervisory and operational personnel for managing and monitoring the Program;
- establish procedures to collect and maintain all necessary Program records;
- ensure proper storage and use of donated commodities; and
- not claim reimbursement for any month when less than 25 percent of the enrolled participants are Title XIX and/or Title XX beneficiaries.

A for-profit organization is eligible to serve as a sponsoring organization only for proprietary Title XIX and Title XX centers that are part of the same legal entity as the sponsoring organization. A sponsoring organization of proprietary Title XIX and Title XX centers is **not** eligible to sponsor proprietary Title XIX and Title XX centers that are legally distinct from the organization. In addition, for-profit organizations cannot sponsor public or private non-profit facilities.

An independent center or a sponsored facility must meet eligibility requirements to participate in the Program. The center or facility must be:

- nonresidential. In other words, meals cannot be claimed for individuals who attend adult day care 24 hours a day, every day.
- public or tax exempt under the Internal Revenue Code of 1986. The only exception to this requirement is proprietary Title XIX and proprietary Title XX centers.
- licensed or approved to provide adult day care services.

Tax-Exempt Status

To participate in the Program, private independent centers and sponsoring organizations must be tax exempt. Those that are public are automatically tax exempt.

Private organizations are non-profit if:

- it has tax-exempt status under the Internal Revenue Code of 1986; or
- it is moving toward complying with the requirements for tax-exempt status under this Federal Code; or
- it is currently operating another Federal program requiring non-profit status.

A private independent center or sponsoring organization that has applied to the Internal Revenue Service (IRS) for tax-exempt status may be approved to participate in the Program for up to 12 months while the IRS reviews the application. If the IRS denies the application, the administering agency must be notified immediately. The administering agency will then terminate the independent center's or sponsoring organization's participation in the Program. If the IRS has not certified the center or sponsoring organization of its tax-exempt status within 12 months after the application has been filed and the IRS shows that the required information was not provided, the administering agency will terminate the center's or organization's participation in the Program until the tax-exempt status is received.

Given the fact that the amount of time and effort required to obtain tax-exempt status cannot be predicted, the administering agency has the responsibility of ensuring that independent centers or sponsoring

organizations without certified tax-exempt status are participating in the Program **only** while legitimately awaiting action on their application by the IRS. In order to carry out these responsibilities more effectively, administering agencies should notify all independent centers and sponsoring organizations which apply to participate in the Program under the "moving toward" provision of the specific requirements which govern their participation. "Moving toward" means making a good faith effort to obtain certified tax-exempt status. Administering agencies can, within a reasonable amount of time, require the submission of copies of all correspondence sent to and received from IRS, including a copy of the letter from the IRS which acknowledges receipt of the application for non-profit status and notification that the application is complete and/or approved. Administering agencies will carefully review such correspondence to ascertain whether requests from the IRS are being complied with in a timely and complete manner. If there is evidence of unresponsiveness, the administering agency will advise the center or organization that failure to actively pursue tax-exempt status is grounds for removal from the Program. Continued unresponsiveness will result in termination. The administering agency will also inform the center or organization that participation in the Program will cease on the date of the denial letter from the IRS.

Licensing/ Approval/ Program Provided

The eligibility determination for independent centers and sponsored adult day care facilities is a two-step process in which the administering agency makes separate judgements regarding:

- licensing or approval; and
- the program provided by the center or facility.

Administering agencies will first determine if specific State or local licensing or approval exists for centers or facilities which provide day care services to functionally impaired or elderly adults. In some States, there will be licensing which specifically governs care for the needs of the functionally impaired or the elderly. In other States, more generic licenses may govern care for older persons. Either would be acceptable. The license is required as an assurance that those in attendance at the center or facility are receiving care in a safe and healthful environment approved by State or local officials.

"Approval" is granted by a State or local authority when an adult day care center or facility meets written standards or criteria. These standards assure that a safe and healthful environment is provided for the individual receiving care. Standards may include requirements for staffing and available services, as well as fire safety, building layout and maintenance requirements. There may be some disparity from State to State in the type of center or facility that is determined eligible for the Program. Receipt of State or Federal funds may constitute "approval" only when standards are established to ensure a safe and healthful environment for center or facility enrollees and a duly constituted authority determines that, in order to receive the funds, these standards must be met. The simple presence of public funding, State or Federal, in an adult day care center or facility does not constitute "approval."

Title XIX

All facilities receiving funds under the Social Security Administration's Medicaid Program are required to meet standards developed by State agencies which ensure the health and well-being of the individuals enrolled in the facility. These standards are subject to review and approval by the Social Security Administration. Written standards for approval for receipt of benefits are developed by the State and the State is required to review each center or facility for compliance with these standards. **Therefore, receipt of Title XIX benefits by a center or facility indicates State approval for purposes of participation in the Program.**

The Social Security Act, as amended, allows States to request a waiver from the requirement that Medicaid payments only be used for medical services provided in medical facilities. This waiver, provides Medicaid payments for allowable parts of the cost of home or community-based services, such as adult day care services. These services must be provided to individuals who otherwise would require Medicaid supported institutionalized care. The waiver cannot be granted unless the State assures the Secretary of Health and Human Services that necessary safeguards, including the development and application of standards for provider participation, have been taken to protect the health and welfare of the individuals served under the waiver.

All centers or facilities receiving Medicaid funds (whether "regular" or "waiver") are required to meet standards developed by State agencies which ensure the health and well-being of the enrolled individuals. The Social Security Act requires each State to develop a State plan for receipt of Medicaid assistance. A Medicaid State plan must provide "...that the State health agency, or other appropriate State medical agency...shall be responsible for establishing and maintaining health standards for private or

public institutions in which recipients of medical assistance under the plan may receive care or services." State plans, including the standards, are reviewed and approved by the Social Security Administration of the Department of Health and Human Services.

Title XX

Receipt of funds under Title XX (Block Grants to States for Social Services) of the Social Security Act by an adult day care center or facility may be considered "approved" only if the State has developed standards which assure that the center or facility provides a safe and healthful environment for those in care. Receipt of Title XX funds in that State must be contingent on the center's or facility's compliance with those standards. Unlike Title XIX, Title XX does not provide a Federal level statutory requirement that States develop and monitor standards for centers and facilities receiving funds. Therefore, the simple presence of Title XX funding in an adult day care center or facility does not constitute "approval."

State Facility

Operation of a center by a State is the same as State "approval." However, the center must clearly be a State facility, funded by the State and operated by State employees. This may be confirmed by a written assurance from a State official that the center is a State facility.

Center/Facility Program

The licensing/approval provision is only the first step toward Program approval. Once that determination has been made, each center or facility is required to follow standards required by law and regulations to:

- serve functionally impaired or elderly adults;
- provide a structured, comprehensive program of health, social and related support services; and
- develop and maintain an individual plan of care for every functionally impaired participant.

Participant Eligibility

Adult day care centers and facilities may participate in the Program if they serve "...persons 60 years of age or older, or chronically impaired disabled persons, including victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction." For Program purposes, a

"chronically impaired disabled person" is a functionally impaired adult, 18 years of age or older, who is physically or mentally impaired to the extent that capacity for independence and ability to carry out activities of daily living is markedly limited. The determining official may accept the center's or facility's determination of the status of the client when determining the functional impairment of an applicant.

Program benefits are to be available to those individuals who:

- remain in the community; and
- reside with family members or other caregivers who would benefit from the respite which adult day care services provides. Every individual attending an adult day care center or facility participating in the Program may not necessarily be eligible for Program benefits.

Individuals who reside in institutions are not eligible to receive benefits under the adult day care component of the CACFP. The legislative intent of this component is to assist centers and facilities to provide respite to family and friends -- the few hours of respite needed to make the difference between keeping impaired individuals at home or sending them away to an institution. Individuals for whom the adult day care component is targeted are those who, in general, are the responsibility of family or friends. In some cases, impaired individuals have no caretakers and are responsible for themselves. They, too, may participate in the CACFP. However, individuals who are living in residences in which they receive 24-hour care by staff hired to provide that care are "institutionalized" and, therefore, not eligible to receive CACFP benefits.

The temporary or permanent status of the individual's institutionalization, and/or any affiliation between the institution and the adult day care center or facility, is irrelevant. Therefore, individuals who are residing in any institution on a temporary basis for "respite care" or "crisis intervention" are not eligible to receive Program benefits, although the participant may continue to attend adult day care while in residence in the institution.

See Chapter 4, page 17, for information on an individual participant's eligibility for free and reduced price meals.

Chapter 3

Applying for the Program

Independent Centers

To participate in the Program, independent centers must submit to their administering agency all required information which includes:

- an application for participation or application renewal materials, accompanied by necessary documentation;
- evidence of non-profit status, except for public and proprietary Title XIX and/or Title XX centers;
- documentation that proprietary Title XIX and/or Tile XX centers provide nonresidential day care services and certification that not less than 25 percent of the participants enrolled during the most recent calendar month were Title XIX and/or Title XX beneficiaries;
- an administrative budget;
- documentation about the eligibility status of the center (such as licensing or approval certification);
- nondiscrimination and free and reduced price policy statements; and
- a public release announcing the availability of the Program and the United States Department of Agriculture's income eligibility guidelines for free and reduced price meals (release for radio, television, or the press).

Sponsoring Organizations

To participate in the Program, a sponsoring organization must submit to its administering agency all information required for approval and the approval of each adult day care facility it intends to sponsor. This required information includes:

- an application for participation or application renewal materials, with necessary documentation;
- evidence of the sponsoring organization's non-profit status (this does not apply to sponsoring organizations of public centers, or proprietary Titles XIX or XX centers);

- documentation of the eligibility status of adult day care facilities (such as licensing or approval actions);
- documentation that proprietary Title XIX or Title XX centers provide nonresidential day care services and certification that not less than 25 percent of the participants enrolled during the most recent calendar month were Titles XIX and/or XX beneficiaries;
- a management plan that includes an administrative budget;
- nondiscrimination and free and reduced price policy statements; and
- a public release announcing the availability of the Program and the income eligibility guidelines for free and reduced price meals (release for radio, television, or the press).

Renewal

Regulations provide for administering agencies to allow independent centers and sponsoring organizations currently participating in the Program to reapply for continuing Program assistance at 2-year, rather than annual, intervals. The content of the "renewal" application is left to the discretion of the administering agency. The only limitation imposed by the regulations is the required annual submission of specific information or documentation at a time determined by the administering agency. This information could be collected as part of an "application" process or through some other means.

Approval

The administering agency will notify the applicant of approval or disapproval for participation in the Program within 30 calendar days after a complete and correct application is submitted. If the application is incomplete, the administering agency will notify the applicant within 15 calendar days of receipt of the application and provide technical assistance, if necessary, for the purpose of completing the application.

Retroactive Approval

Retroactive approval may be granted by an administering agency for reimbursement for the month prior to the actual approval, if substantial evidence indicates that the records to support the reimbursement have been maintained. For example, if the administering agency approves an application on May 15, and accurate records have been kept as required, the administering agency may be able to approve reimbursement dating back to April 1. (See Chapter 6, page 31, Program Reimbursement and Chapter 8, page 45, Recordkeeping, for further information on reimbursement and required records.)

Forms

There are certain kinds of information that are necessary for approval to participate in the Program, though the forms for obtaining that information may vary. The following describes some of the types of forms that may need to be completed to apply for the Program.

- **Application for Participation for Independent Centers** -- Requests information about public and non-profit status, the type of center, licensing, planned meal service, eligibility of enrolled participants, staffing patterns and advance payments.

- **Application for Participation and Management Plan for Sponsoring Organizations** -- Requests information about public or non-profit status, planned meal service, eligibility status of enrolled participants, administrative and food service budgets, staffing patterns, and advance payments. It also asks for a management plan that includes information about training, reviewing the facilities, and distributing reimbursement to the sponsored facilities for the meals they serve.

- **Agreement with Independent Centers/Sponsoring Organizations** -- Indicates the responsibilities of the independent center or sponsoring organization and the administering agency. It outlines the approved administrative budget and the types of meals authorized for reimbursement that will be received.

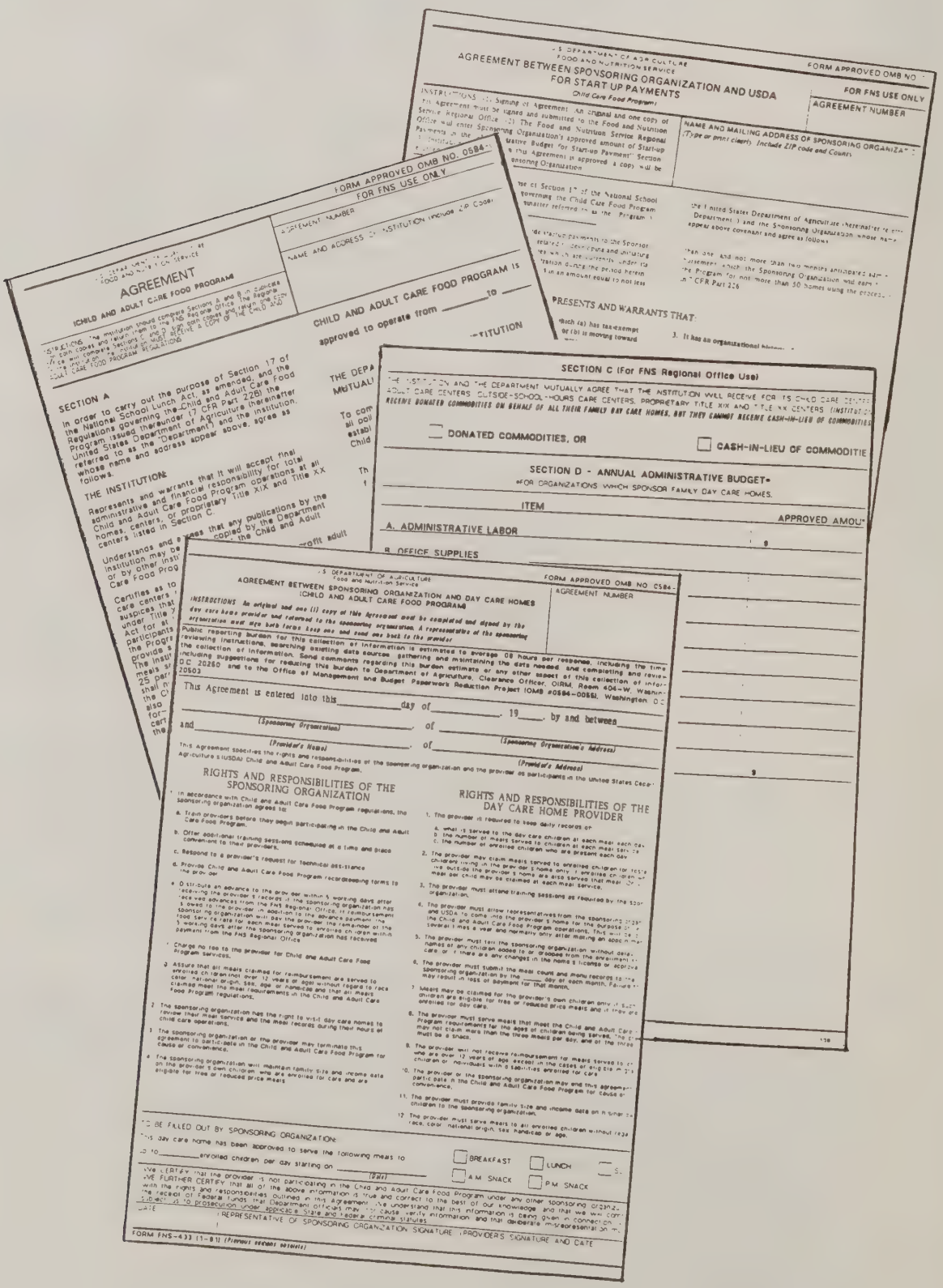
- **Agreement Between Sponsoring Organization and Facility** -- Indicates the rights and responsibilities of each facility and the sponsoring organization. Separate agreements are required for each sponsored facility.

- **Policy Statement** -- Specifies the operating procedures and practices for the service of free and reduced price meals. It includes the use of current family size and income eligibility guidelines, and the assurance that no participant will be discriminated against during the course of the food service. More information on this policy statement is provided in Chapter 4, page 19 of this handbook.

Administering agencies may request additional information from private for-profit independent centers and sponsoring organizations.

Authorized Signature

All forms submitted to the administering agency must be signed by the person elected, appointed or otherwise authorized to assume legal responsibility for the CACFP, or the person to whom this authority has been delegated, such as the chairman of a board of directors or a public official like the mayor. If a delegated person signs the form, a letter must be provided with the application stating this delegation of authority.



Chapter 4

Free and Reduced Price Meals

To operate the Child and Adult Care Food Program (CACFP), independent centers and sponsoring organizations must agree to determine each participant's eligibility for free, reduced price, or paid meals. Reimbursements for the meals served to enrolled participants are based on the types of meals served and the number of participants eligible for free, reduced price, or paid meals. For this reason, each participant's eligibility information must be maintained.

Eligibility

Individual eligibility information must be collected from all participants at least once each year. The information collected from the participants must be compared to the United States Department of Agriculture's (USDA's) income eligibility guidelines in order to determine the participant's eligibility category. The income/household size standards for determining eligibility for free or reduced price meals are the same as those used for determining eligibility for free or reduced price meals under the National School Lunch and School Breakfast Programs. The administering agency will make these income standards available to all independent centers or sponsoring organizations either currently participating or wishing to participate in the Program.

Income Eligibility Application

Each year, independent centers and sponsored facilities must obtain and keep on file eligibility information on each enrolled participant. This information must be obtained on an Income Eligibility Application that is completed and signed by the participant or guardian. A sample application form and sample letter to the participant or guardian that explains the purpose and eligibility for free and reduced price benefits are included in the Reference Section (see Attachments D-1, D-2, E and F). Other sources of income information on file at the center are not acceptable in place of an application.

"Income" for the purpose of determining free or reduced price meal eligibility includes gross earnings, wages, welfare, pensions, support payments, unemployment compensation, social security and other cash income received or withdrawn from any other source, including savings, investments, trust accounts and other resources. Individual retirement accounts and Keogh withdrawals are considered income. Only the income

of the participant, the spouse, and dependent children who reside with the participant, has to be reported on the application.

A participant who is a member of a food stamp household, or who receives assistance under Supplemental Security Income (SSI) or Medicaid or participates in the Food Distribution Program on Indian Reservations (FDPIR), is considered categorically eligible and may receive free meal Program benefits without providing household size and income information. An identification number is required on the application confirming that the participant is a member of a currently certified food stamp or FDPIR household or is a current SSI or Medicaid recipient.

Finally, the application must be signed by an adult household member and the social security number of that adult must be provided (or an indication that the adult does not have a social security number).

Given the population served by the adult day care provisions of the Program, it is unlikely that it would be necessary for an official of an adult day care center or facility to complete a free or reduced price meal application for a Program participant. In most cases, a functionally impaired or elderly adult who is not able to complete the application personally would have a family member or guardian complete the application. However, should an enrollee be unable to complete the application and no family member or guardian is available to complete it, the center or facility may, with the concurrence of the administering agency, complete an application on the enrollee's behalf if the enrollee is categorically eligible for free meals. The participant's file must contain documentation of the categorical eligibility.

The administering agency can provide additional guidance on determining the eligibility of the enrolled participant.

Categories of Meals

A **free meal** is a meal served to a participant whose household income eligibility level based on household size and gross income is at or below the eligibility standards for free meals according to USDA's income eligibility guidelines, or to a participant who is a member of a food stamp household, or who receives SSI or Medicaid benefits or participates in the FDPIR.

A **reduced price meal** is a meal served to a participant whose household income eligibility level based on household size and gross income does not meet the requirements for free meals, but is at or below the eligibility standards for reduced price meals according to the USDA's income eligibility guidelines.

A **paid meal** is a meal served to a participant whose household income eligibility level based on household size and gross income does not meet the eligibility standards for free or reduced price meals according to the USDA's income eligibility guidelines, or for whom no Income Eligibility Application has been filed.

Free and Reduced Price Policy Statement

Each independent center or sponsoring organization must submit (with its application for Program participation) a written policy statement for approval. A policy statement is a document that the independent center or sponsoring organization submits to the administering agency listing the operating procedures and practices for the service of free and reduced price meals. No approval or renewal for participation in the Program can be granted unless this policy statement is approved by the administering agency. (See Chapter 3, Forms, "Policy Statement," page 15.)

Pricing and Nonpricing Programs

There are two types of systems for charging for meals in the Program, both of which are tied to the Program's free and reduced price meal policy. They are "pricing" and "nonpricing" programs.

Pricing Programs

Pricing programs are those in which a participant who does not qualify for free meals is charged for meals served. This may be a direct payment from the participant at the time the meal is served or it can be included as part of a tuition payment which is specifically earmarked for food service. Independent centers or sponsoring organizations which charge separately for meals must develop a policy statement that:

- identifies criteria used to determine eligibility for free and reduced price meals;
- identifies the method used to accept applications for free and reduced price meals;
- identifies the method used to collect payments from participants paying the full or reduced price of the meal that will protect the anonymity of the participant;
- provides for a hearing procedure for participants to appeal the eligibility determination for free or reduced price meals;
- provides an assurance that there will be no overt identification of free and reduced price meal recipients and no discrimination against any

participant on the basis of race, color, national origin, sex, age, or disability; and

- provides specific guidelines that must be followed concerning the charge that may be made for the meals.

For more specific guidance on pricing programs, contact your administering agency.

Nonpricing Programs

Nonpricing programs are those in which no separate charge is made for the meals served to participants. The majority of centers and facilities participating in the Program are nonpricing programs. In a nonpricing program, if a payment is required, it is made in the form of a general tuition charge that covers all areas of day care services provided. No portion of tuition payments is specifically earmarked for food service, therefore, there is no separate charge for the meals, nor is money exchanged at mealtime. A policy statement must be developed that consists of an assurance that all participants are served the same meals at no separate charge, regardless of race, color, nation origin, sex, age, or disability and that there is no discrimination in the course of the food service. The administering agency can provide guidance about the standard nonpricing policy statement.

Identification of Needy Participants

CACFP rules require that there be no obvious identification of needy participants so as not to cause any embarrassment to a participant. Therefore, the information on file on the free and reduced price applications and the eligibility status of each participant is **confidential**. Again, programs that have a separate charge to the participant for meals must be careful not to identify the needy participants at the time of collection or anytime during the actual meal service.

Public Release

In order to comply with the Program's free and reduced price meal policy rules, independent centers and sponsoring organizations must issue a public release announcing their intention to operate a USDA-funded food service program. This release must include:

- the USDA's current income eligibility guidelines for free and reduced price meals; and

- a statement that it does not discriminate against any participant because of race, color, national origin, sex, age, or disability.

A copy of this public release, along with any other information the center or sponsor wishes to include, must be provided to one or more newspaper, magazine, radio or television stations that serve the area. A copy of the release should be kept on file and one copy sent to the administering agency. Whether or not the media uses the public release, the responsibility has been fulfilled when the release is sent to them.

Any brochures, news articles, or bulletins made available to the public should state that admission is open to all participants regardless of race, color, national origin, sex, age, or disability. The Reference Section includes a copy of sample public releases that may be used for pricing and nonpricing programs (See Attachments G and H).

Chapter 5

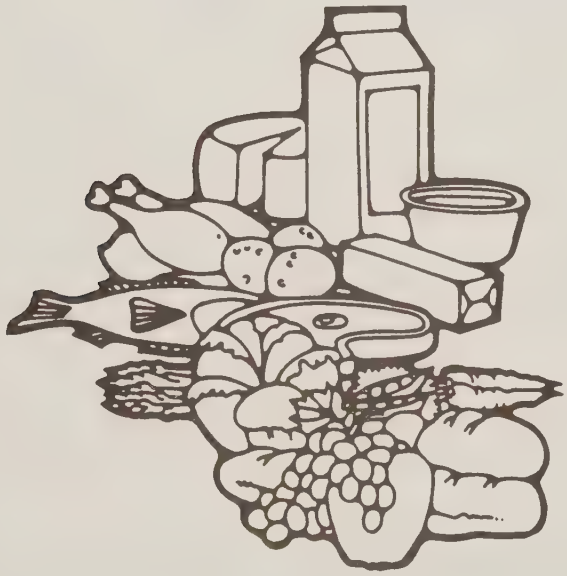
Meal Pattern

The meal patterns required by Program regulations were developed based on the nutritional needs of all participants. It has been demonstrated that over a period of time these general meal patterns supply participants with the necessary nutrients needed for good health.

One or more of the following meal types must be served:

- breakfast;
- lunch;
- supper; or
- supplemental food (snack).

Centers or facilities may be approved to serve and claim up to three meals per day -- one or two of which must be a supplement (snack).



The following chart shows the required food components for each meal type with the minimum required serving sizes.

Meal Pattern for Adults

Food Components	Breakfast	Lunch	Supper	Supplement *
Milk				
Milk, Fluid	1 cup	1 cup	None	1 cup
Vegetables and/or Fruits				
Vegetable(s) and/or Fruit(s)	½ cup	1 cup total (two or more servings)	1 cup total (two or more servings)	½ cup
or				
Full-strength vegetable or fruit juice or an equivalent combination of vegetables(s), fruit(s), and juice	½ cup			½ cup
Bread and Bread Alternates				
Bread	2 slices	2 slices	2 slices	1 slice
or				
Cornbread, biscuits, rolls, muffins, etc.	2 servings	2 servings	2 servings	1 serving
or				
Cold dry cereal	1½ cups or 2 oz.			3/4 cup or 1 oz.
or				
Cooked cereal	1 cup	1 cup	1 cup	½ cup
or				
Cooked pasta or noodle product	1 cup	1 cup	1 cup	½ cup
or				
Cooked cereal grains or an equivalent quantity of any combination of bread/bread alternate	1 cup	1 cup	1 cup	½ cup
Meat and Meat Alternates	None			
Lean meat or poultry or fish		2 oz.	2 oz.	1 oz.
or				
Cheese		2 oz.	2 oz.	1 oz.
or				
Eggs		1 egg	1 egg	1 egg
or				
Cooked dry beans or peas		½ cup	½ cup	1/4 cup
or				
Peanut butter or soynut butter or other nut or seed butters		4 tbsp.	4 tbsp.	2 tbsp.
or				
Peanuts or soynuts or tree nuts or seeds		1 oz. = 50%	1 oz. = 50%	1 oz.
or				
Yogurt, plain or sweetened and flavored				4 oz. or ½ cup
or				
An equivalent quantity of any combination of the above meat/meat alternates				

* For a Supplement (snack) choose only two of the four food components.

Offer Versus Serve

All of the required food items must be offered with each meal except for the snack. However, at the discretion of the adult day care center/facility, participants may be permitted to decline a certain number of the items without the price or reimbursement for the meal being affected. This provision is called "offer versus serve." All meal items must be offered, but a certain number of items may be declined.

- Breakfast: Participants may decline one serving of the four food items (one serving of milk, one serving of vegetable and/or fruit and two servings of bread or bread alternate).

- Lunch: Participants may decline two servings of the six food items (one serving of milk, two servings of vegetables and/or fruit, two servings of bread or bread alternate, and one serving of meat or meat alternate).

- Supper: Participants may decline two servings of the five food items (two servings of vegetables and/or fruit, two servings of bread or bread alternate, and one serving of meat or meat alternate).

- Supplement (snack): Offer versus serve is not available for snacks, since the snack meal pattern contains only two food items.

Family Style Meal Service

Meals may be served in a family style setting. Unlike cafeteria lines, unitized meals and preset service methods, family style meal service can enhance adult participants' acceptability of offered foods and affords them latitude in the size of initial servings because replenishment is immediately available at each table. Since adults generally are used to "family style" eating, the day care enrollees may welcome this method and feel most comfortable when the center chooses to implement such service, which must be exercised in compliance with the following practices:

- sufficient prepared food must be placed on each table to provide the full required portions of each of the food components for all participants at the table, and to accommodate the supervising adult(s);

- the participants should initially be offered the full required portion of each meal component;

- during the course of the meal, the supervising adult(s) is responsible for actively encouraging each participant to accept service of the full required portion for each food component of the meal pattern. For example, if a participant initially refuses a food component or does

not accept the full required portion, the supervising adult should offer the food component to the participant again; and

- "second" meals may not be claimed for reimbursement when family style meal service is used.

Meals served following these guidelines are eligible for reimbursement.

Variations/ Substitutions

In certain instances the FNS national office may grant approval to the administering agency for variations in the food components. Approval may be requested when evidence is provided that shows that the variations are nutritionally sound and are necessary to meet ethnic, religious, economic, or physical needs. In addition, substitutions may be made in the meal patterns for individual participants with special medical or dietary needs if a statement from a recognized medical authority that specifies recommended alternate foods is on file.

Commodities or Cash-in-Lieu of Commodities

The U.S. Department of Agriculture (USDA) provides another type of assistance (in addition to Program reimbursement) through USDA-donated foods or additional cash instead of donated foods.

Commodities are foods that USDA purchases or acquires under farm subsidy programs in large quantities. Depending on the season and the crops, USDA may buy or acquire beef, canned or fresh fruits and vegetables, wheat products, peanut butter, or any number of other products. USDA then distributes these foods to States, which in turn distribute them to hospitals, prisons, schools, and other federally funded food programs.

Each independent center or sponsoring organization has the option of receiving USDA-donated commodities or cash-in-lieu of commodities in addition to reimbursement for meals served. A sponsoring organization must choose either commodities or cash-in-lieu for all its sponsored facilities. The administering agency will annually contact each center or organization to determine its preference and will also provide information on the types of foods that are plentiful, how these foods are packaged, and where the commodities may be obtained. Some choose cash-in-lieu of commodities because they have determined that the available food packages are too large for timely use, or because pickup and adequate storage would be difficult. If cash-in-lieu of commodities is chosen, a per meal payment for each lunch and supper served to enrolled participants will be received in addition to the reimbursement. This payment is equivalent to the dollar value of the commodity allotment. However, if the administering agency

demonstrates that distribution of commodities to the number of centers or sponsors is impracticable, the administering agency can provide cash-in-lieu of commodities for all independent centers and sponsoring organizations.

Some administering agencies may allow a change in the choice between commodities and cash-in-lieu of commodities during the fiscal year. Contact the administering agency for more information.

Meal Preparation

The best system of meal preparation in a given situation will depend upon such factors as the type of menu desired; the availability of food service equipment, space, and personnel; and the budget of the organization. Following are several types of food service systems.

Onsite

Onsite preparation is the most commonly used food service system. The meals are prepared at the same location where they are to be served. This is usually the most economical method when the facility has a kitchen, sufficient food preparation equipment, and available staff. All or part of the food may be prepared onsite and the remainder purchased from an outside source, such as a school, hospital or commercial vendor.

Central Kitchen

A sponsoring organization which only has one facility that can prepare meals, may want to prepare all meals at that central kitchen. The sponsoring organization would arrange to transport meals from the central kitchen and deliver them to other facilities. This system may also be utilized when the sponsoring organization arranges to have a school prepare and provide meals. When transporting meals, equipment will be needed to keep both hot and cold foods at the temperature levels required under State or local health laws.

Purchasing from a School

Meals may be purchased from a school either in bulk or as individual packaged units. An independent center or sponsoring organization that receives meals from a school must enter into a written agreement with that school. This agreement must contain the basic provisions of the Program requirements. (Attachment I in the Reference Section includes a sample agreement.) Signing an agreement with a school to provide meals does not relieve the center or sponsor of its Program responsibilities for monitoring and recordkeeping. The school should provide a copy of the menus served

and, if required by the administering agency, applicable production records.

Purchasing from a Food Service Management Company

Food service management companies are organizations that prepare and deliver meals. An independent center or sponsoring organization that purchases meals from a food service management company must enter into a written contract with the company. The administering agency can provide a copy of the standard contract that must be used and guidance on meeting procurement standards. Signing a contract with a food service management company does not relieve the center or sponsor of its Program responsibilities for monitoring and recordkeeping. Regulations require that a copy of the contract be submitted to the administering agency before the beginning of Program operations under the contract.

Purchasing from a Commercial Vendor

Commercial vendors are public organizations, private commercial enterprises, or individuals that provide nonfood items or individual food items but not meals. An independent center or sponsoring organization that purchases from a commercial vendor must enter into a written contract with the vendor. The administering agency can provide a copy of the standard contract and guidance on meeting procurement standards.

Procurement Standards

An independent center or sponsoring organization that contracts with a food service management company or commercial vendor should be aware of the procurement provisions governing the Program. Procurement guidelines are outlined in detail in the Child and Adult Care Food Program regulations. Here, in brief, are those guidelines.

All procurements of $10,000 or more need to be formally advertised (unless, under certain instances, the administering agency states otherwise) for a contract in accordance with the regulations. State or local laws may require independent centers or sponsors to advertise for a contract of procurement of less than $10,000. Check State and local laws for specific requirements. Administering agencies may require the following when formally advertising a contract.

- The administering agency must be notified and public announcement of the proposed contract must be made at least 14 calendar days before the opening of bids. The announcement must include the time and place of the bid opening and information about

obtaining a copy of the complete specification for the proposed meal service.

- The Invitation For Bid (IFB) must be clear and accurate so that all prospective bidders have an equal chance of potentially getting the contract.

- The IFB may not provide for loans or other monetary benefits, terms, or conditions to be made by food service management companies or commercial vendors.

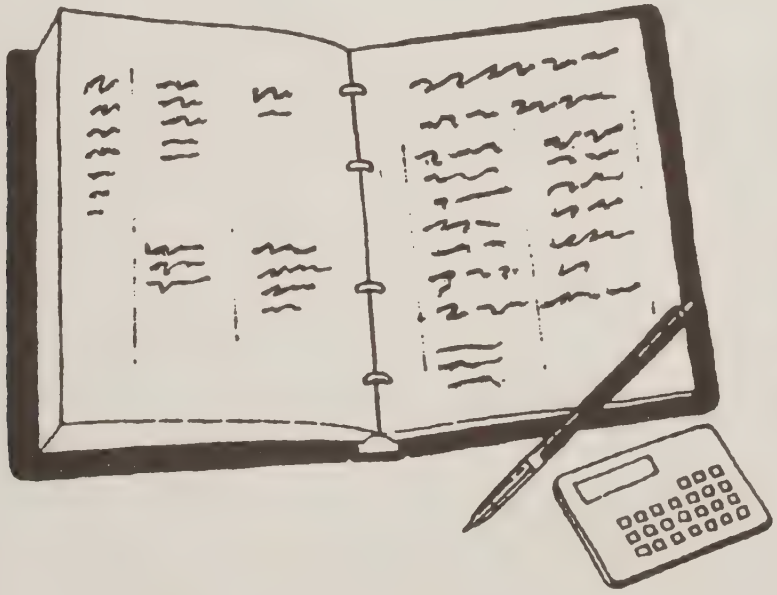
- The only nonfood items that can be included are those necessary for the food service (such as straws, napkins, or packaging).

- The bids must be opened publicly.

- Bids totaling $50,000 or more must be submitted to the administering agency for approval.

- The administering agency must be informed which bid will be chosen. If the lowest bid is not accepted, a justification for awarding the contract to a higher bidder must be provided.

The procurement standards apply to any contract for $10,000 or more, whether it is for meals, equipment, or other services. A code of conduct must be maintained to prevent the exchange of anything of monetary value between the contractor and the center or sponsor that may influence the award or prohibit maximum open and free competition. Avoid conflict of interest situations. Noncompetitive negotiation to procure goods may be used under certain circumstances, but the administering agency should be contacted before any negotiation takes place.



Chapter 6

Program Reimbursement

In the past, reimbursement was based on the number of meals served times the appropriate reimbursement rates or documented costs, whichever was less. Under Public Law 97-35, States were allowed the option to eliminate cost as a factor for reimbursement. Therefore, the administering agency has two methods for reimbursing independent centers and sponsoring organizations. They are:

- the number of meals served by type, multiplied by the appropriate reimbursement rate or the documented costs for both administering and operating the Program, whichever is less; or

- the number of meals served by type, multiplied by the appropriate reimbursement rate.

The method chosen by the administering agency will be applied to all participating centers and sponsors in the State. Regional Offices that administer the Program will reimburse solely on the basis of the number of meals served by type multiplied by the appropriate reimbursement rates.

Proprietary Title XIX and Title XX Centers

Independent proprietary Title XIX or Title XX centers and sponsoring organizations of these centers are eligible to receive reimbursement only for meals served in those months in which 25 percent of the enrolled participants were Title XIX and/or Title XX beneficiaries. The 25 percent may include the sum of both Title XIX and Title XX beneficiaries.

Computing Reimbursement

Regulations provide three methods of computing reimbursement--one of which is assigned to each independent center and sponsoring organization at least annually:

- claiming percentages;

- blended rates; or

- actual count of the number of meals served to participants eligible for free, reduced price, and paid meals.

The claiming percentage and blended rate methods for computing reimbursement are intended to simplify the task of developing and preparing a monthly claim for reimbursement. By using either of these methods, daily meal counts do not have to be maintained for each income category (free, reduced price, and paid). It is only necessary to keep count of total meals served by meal type (breakfast, lunch, supper, or snack).

National Average Payment Rates of reimbursement for meals served are adjusted and announced annually every July 1 to reflect changes in the Consumer Price Index. The administering agency will notify independent centers and sponsoring organizations of changes in the reimbursement rates.

In the following examples, the reimbursement rates should be viewed only as guides. Use the current reimbursement rates when computing reimbursement.

Claiming Percentages

When reimbursement is calculated on the basis of claiming percentages, the following general formula is used:

Number of participants eligible for free OR reduced OR paid meals
÷
Total enrollment
=
Claiming % for that category
X
Total number of lunches served during the month
X
Reimbursement rate

Following is a step by step example of how to calculate a claim for reimbursement (lunches only) using the claiming percentage method of reimbursement.

Example:

50 participants are enrolled in a center;
1000 lunches are served during the month;
15 participants are eligible for the paid rate of reimbursement;
30 participants are eligible for the free rate of reimbursement; and
5 participants are eligible for the reduced price rate of reimbursement.

Step #1

Compute claiming percentage for each eligibility category.

15 paid ÷ 50 enrollment = 30% of total enrollment
30 free ÷ 50 enrollment = 60% of total enrollment
5 reduced price ÷ 50 enrollment = 10% of total enrollment

Step #2

Percentages (30% for paid, 60% for free, 10% for reduced price) are converted to decimals (.30, .60, .10), then multiplied by the total number of lunches served during the claim month (1000).

1000 X .30 = 300.00 (paid meals)
1000 X .60 = 600.00 (free meals)
1000 X .10 = 100.00 (reduced price meals)

Step #3

Meals are multiplied by the appropriate rate (paid rate = $.135, free rate = $1.405, reduced price rate = $1.005).

300 paid meals X $ .135 = $ 40.50
600 free meals X $1.405 = $ 843.00
100 reduced price meals X $1.005 = $ 100.50

Step #4

The totals are added together to obtain the center's total claim for reimbursement for lunches served during that month.

$ 40.50	**for paid lunches served**
$843.00	**for free lunches served**
+ $100.50	**for reduced price lunches served**
$984.00	**maximum potential reimbursement for lunches served**

Blended Rate

Blended rate is a method of calculating an average rate of reimbursement by meal type. This average rate is multiplied by the total number of meals served in that meal type.

Following is a step-by-step example of how to calculate a claim for reimbursement (lunches only) using the blended rate method of reimbursement.

Example:

50 participants are enrolled in a center;
1000 lunches are served during the month;
15 participants are eligible for the paid rate of reimbursement;
30 participants are eligible for the free rate of reimbursement; and
5 participants are eligible for the reduced price rate of reimbursement.

Step #1

Compute claiming percentage first:

15 paid ÷ 50 enrollment = 30% or .30
30 free ÷ 50 enrollment = 60% or .60
5 reduced price ÷ 50 enrollment = 10% or .10

Step #2

Multiply the claiming percentages times the appropriate reimbursement rates. This will give you a revised rate.

	Paid	Free	Reduced price
Claiming percentage	.30	.60	.10
Appropriate rate	x $ .135	x $1.405	x $1.005
Revised rate	$ .0405	$ .843	$ .1005

Step #3

Add these revised rates together. This will give you the blended rate for computing reimbursement for lunches.

$.0405	Revised paid rate
$.8430	Revised free rate
+$.1005	Revised reduced price rate
$.9840	Blended rate

Step #4
Multiply the total number of lunches served during the claim month times the blended rate.

Lunches served		Blended rate		Maximum potential reimbursement for lunch
1000	**X**	**$.984**	**=**	**$ 984.00**

Actual Meal Count by Eligibility Category

When reimbursement is computed on the basis of the actual number of meals (by type) served to enrolled participants who are eligible for free, reduced price, and paid meals, the following formula is used:

# of meals (by type) served to free participants
X
Rate for free meals
+
# of meals (by type) served to reduced price participants
X
Rate for reduced price meals
+
# of meals (by type) served to paid participants
X
Rate for paid meals
=
Maximum potential reimbursement (by meal type)

Example:
A center served 1000 meals during the course of a month of which 600 were free lunches, 100 were reduced price lunches, and 300 were paid lunches. Using the above formula, the computation for potential lunch reimbursement would be as follows:

Number of free lunches served to participants during the month X rate for free lunches = Total (free lunches)
600 X $1.405 = $843.00 (+)

Number of reduced price lunches served to participants during the month X rate for reduced price lunches = Total (reduced price lunches)
100 X $1.005 = $100.50 (+)

Number of paid lunches served to participants during the month X rate for paid lunches = Total (paid lunches)
300 X $.135 = $40.50 (=)

Maximum potential reimbursement for lunch (free, reduced price, and paid) **$984.00**

Advance Payments

All independent centers and sponsoring organizations are eligible to receive advance payments.

Advance payments should approximate the average monthly reimbursement. The administering agency makes advance payments available on the first of each month for expenses incurred for the rest of that month. The independent center or sponsoring organization may choose to receive all or part of the advance payment or may choose not to receive any advance payments. The administering agency will estimate the amount of the first advance payment each fiscal year using information such as prior year reimbursement claims and enrollment figures.

When the claim for reimbursement is submitted after the end of each month, the administering agency will compare it to the amount that was received in the advance payment. If the advance was for more money than the claim for reimbursement at the end of each month, the administering agency may adjust the advance payment to more closely reflect the claim for reimbursement.

The administering agency will not advance money if it believes the center or sponsor will not be able to submit a valid claim for reimbursement for any month. If the administering agency withholds an advance payment, it must explain why and provide the center or sponsoring organization an opportunity to appeal the decision through a fair hearing procedure.

Sponsoring organizations must disburse advances to the facilities within 5 working days of receipt from the administering agency.

Budget Planning

It is important to be able to estimate the cost of operating the food service program, and to know the approximate amount of reimbursement that the administering agency will provide. Unless other sources of income are available, it will be necessary to adjust operating costs so that they remain within the range of the reimbursement payments.

Estimating reimbursement can be an effective management tool for food service operations, menu planning, and staffing. To estimate reimbursement, independent centers and sponsoring organizations need to know:

- the total number of meals, by type, served in a prior month; or
- the estimated number of meals, by type, to be served during the year; or
- the number of meals served by type and eligibility category, if reimbursement is calculated based on the actual number of meals served to participants eligible for free, reduced price, and paid meals; and
- the claiming percentages or blended rates;
- the current rates of reimbursement; and
- the actual or estimated monthly or annual cost of operating the Program.

Claims for Reimbursement

All independent centers and sponsoring organizations must send the administering agency accurate monthly reports on the number of meals served. These monthly reports are submitted on claim for reimbursement forms. Claims for reimbursement must be postmarked and/or submitted to the administering agency no later than 60 days following the last day of the month covered by the claim.

If the first or last month of Program operations in any fiscal year contains 10 operating days or less, the claim for those days may be combined with the claim for the prior or following month. If a Program operates for more than 10 days in a month, a separate claim for that month must be sent to the administering agency.

An approved proprietary Title XIX or Title XX center can claim reimbursement only for those months when 25 percent of the enrolled participants are Title XIX and/or Title XX beneficiaries. The independent

center and the sponsoring organization of these centers must submit the percentage of enrolled participants receiving Title XIX and/or Title XX benefits for each month where program reimbursement is claimed.

The important thing to remember is to get the claim in quickly and correctly. Late submissions of the claim can impact prompt payment from the administering agency. If there are any questions or any confusion, ask the administering agency for help.

DO NOT CLAIM

Meals which cannot be claimed for reimbursement are:

- **meals that do not meet the meal pattern requirements;**
- **meals served to participants who are not enrolled;**
- **meals served to adults residing in residential care institutions;**
- **more than three meals (one or two of which must be a snack) served daily to each participant;**
- **meals supported by funds from both this Program and Title III of the Older Americans Act of 1965;**
- **meals served to enrolled participants who are under 60 years of age and not considered to be functionally impaired;**
- **meals served to enrollees under 18 years of age;**
- **meals served to participants in excess of the authorized license capacity at any one time;**
- **meals served at a proprietary Title XIX or Title XX center during any calendar month when less than 25 percent of the enrolled participants are either Title XIX and/or Title XX beneficiaries.**

Claim Forms

Administering agencies may use slightly different claim forms. However, claim forms, at a minimum, should ask for the following information:

- number of meals served by type;
- days of operation;
- number of centers participating;
- average daily attendance;
- total enrollment;
- percentage of Title XIX and/or Title XX beneficiaries that month (if applicable);
- operating costs (if applicable);
- administrative costs (if applicable); and
- income to the Program (if applicable).

Chapter 8, page 45, includes information on the records needed to support the claim for reimbursement.

Processing Claims

The administering agency will pay all valid claims for reimbursement within 45 calendar days after receiving them. If an incomplete or incorrect claim is submitted, the administering agency will notify the independent center or sponsoring organization, within 15 calendar days, explaining the problem and how the claim can be corrected. If all or part of the claim is disallowed, the administering agency will explain why and provide an opportunity to appeal the decision under the fair hearing procedure. Sponsoring organizations are required to distribute reimbursement to each facility under its sponsorship within 5 working days after receiving it from the administering agency.

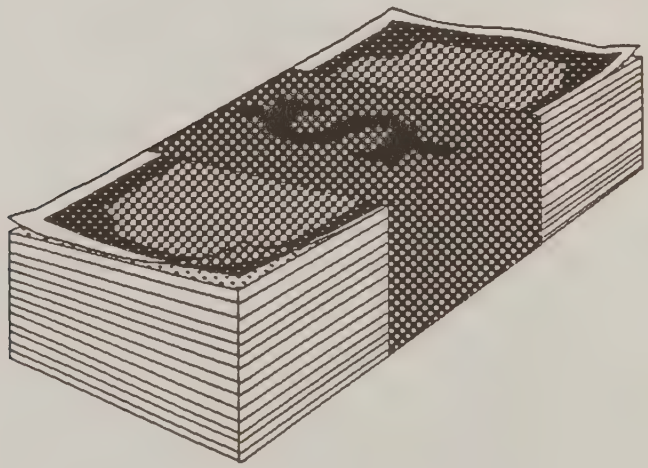
Participation Controls

The administering agency may not reimburse for meals served to participants in excess of the authorized capacity of each center or facility. However, if the center or facility serves participants in shifts (for example, if a meal type is served at two different times to two different groups of

participants), and does not violate the authorized capacity, reimbursement for the meals is allowed. Also, reimbursement will not be provided for meals claimed by any proprietary Title XIX or Title XX center during any calendar month when less than 25 percent of the enrolled participants are Title XIX and/or Title XX beneficiaries.

Title III Funding

Meal service funds are also available from other Federal and State sources. The Administration on Aging of the U.S. Department of Health and Human Services provides meal service funds to some adult day care centers under Title III of the Older American's Act of 1965. However, a single meal may not be supported by funds from both the CACFP and Title III. If a center claims reimbursement for a meal under the CACFP, Title III funds cannot pay for any costs associated with that meal. Title III benefits include all assistance provided under Part C of Title III of the Older Americans Act, including donated commodities (or cash-in-lieu of commodities) authorized by the Act and provided by the U.S. Department of Agriculture and nutrition grants authorized by the Act and provided by the U.S. Department of Health and Human Services. An adult day care center may use CACFP and Title III funds for different meals within the same meal service, or for different meal services (breakfast, lunch, dinner, or snacks).



Chapter 7

Monitoring and Administering Agency Reviews

Monitoring and reviews are critical to the effective operation of the Program. As part of the review and monitoring process, administering agencies can provide technical assistance to independent centers and sponsoring organizations. This assures that participants receive wholesome, nutritious meals and that centers and sponsored facilities receive proper financial reimbursement.

Assistance from the Administering Agency

The administering agency staff is available to help in operating an effective Program and assistance should be requested whenever needed. They will provide training on Program rules and regulations, nutrition services, meal pattern requirements, recordkeeping requirements, application procedures, food service operations, meal service techniques, and financial management. Additional responsibilities of the administering agency include:

- processing applications and approving or denying them in a timely manner;
- providing forms, publications, and guidelines to help operate the Program;
- reviewing Program operations to ensure compliance with Program regulations;
- providing technical assistance in all areas of food program operations;
- providing information on audits;
- providing reimbursement toward meals and related costs;
- providing commodities or cash-in-lieu of commodities; and
- establishing an appeal procedure for any decision that affects participation or reimbursement.

Administering Agency Reviews

Independent centers and sponsoring organizations are reviewed by the administering agency at least once every four years. For sponsoring organizations, at a minimum, reviews include 15 percent of the adult day care facilities they sponsor. All records relating to the operation of the Program will be reviewed to ensure that reimbursement received were proper and reflects benefits provided to all participants.

Audits

In addition to reviews, independent centers and sponsoring organizations are subject to audits by State and Federal officials. Administering agencies can provide specific information on Program audits.

Monitoring Requirements for Sponsoring Organizations

Each sponsoring organization must provide adequate supervisory and operational personnel for the effective management and monitoring of the Program at all adult day care facilities under its sponsorship. At a minimum, monitoring requirements include:

- Pre-approval visits to each facility to discuss Program benefits and requirements and ensure that the facility is capable of providing the proposed food service.

- Review of the food service operations at least three times each year at each facility to assess compliance with meal pattern, recordkeeping, and other Program requirements. However, at least one review must be made during each facility's first six weeks of program operations. Not more than six months can elapse between reviews.

See Attachments J and K for suggested forms that sponsors may use during pre-approval visits and reviews.

Training

Sponsoring organizations are required to provide staff training for all facilities on Program duties and responsibilities prior to the beginning of Program operations. Additional training sessions are also required at least once a year. Documentation of all training sessions must be maintained. (See Training Records, Chapter 8, page 45.)

Appeals and Fair Hearings

Independent centers and sponsoring organizations have access to a fair hearing system to appeal adverse administrative actions by the administering agency. Adverse administrative actions may include, but are not limited to:

- denial of the application for participation;
- denial of an application submitted by a sponsoring organization on behalf of a facility;
- termination or suspension of the Program;
- denial of an advance payment;
- denial of all or part of a claim for reimbursement (except for late submission);
- denial by the administering agency to forward to the Food and Nutrition Service an exception request for payment of a late claim or request for an upward adjustment to a claim; and
- demand for any overpayment to be paid back.

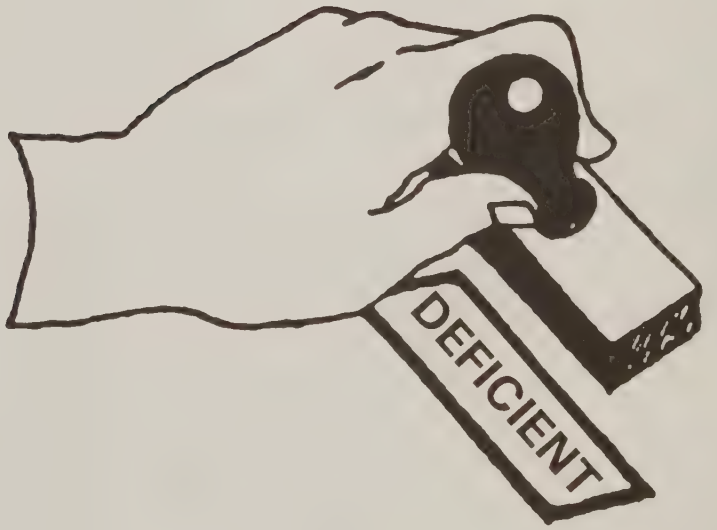
A number of specific steps must be followed in the fair hearing system. Under the regulations, each administering agency will develop a procedure to provide for the appeal and fair hearing of the adverse action. The administering agency will provide the proper procedure to follow in the event of an adverse administrative action. A written request for an appeal must be filed within 15 calendar days of receiving notification that an action has been taken.

Seriously Deficient

For a variety of reasons, the administering agency may not approve an application or may discontinue participation in the Program. Some of these reasons are:

- being seriously deficient in the operation of any Federal Child Nutrition Program at any time, unless the administering agency and the U.S. Department of Agriculture determine that necessary corrective action has been taken that will prevent the deficiency from reoccurring;
- submitting false information;
- failing to keep records or adequate records;
- claiming meals not served to participants;
- serving meals that do not meet the Program requirements;

- not complying with bid or contract requirements;
- claiming meals served by a proprietary Title XIX or Title XX center during any calendar month when less than 25 percent of the enrolled participants are Title XIX and/or Title XX beneficiaries;
- failing to adjust meal preparation or meal orders to meet the needs of participants who are actually present;
- using food service management companies that are in violation of health codes;
- failing to return advance payments to the administering agency; and
- failing to disburse payments to sponsored facilities according to the approved management plan.



Chapter 8

Recordkeeping

Maintaining accurate records is vital to making sure Program reimbursement accurately reflect Program operations. This chapter provides information about the types of records that must be kept to justify the reimbursement claim and suggestions on managing this portion of the Program. The administering agency can provide help in answering any questions about the required records, or about systems for collecting and maintaining these records. A checklist of records has been included as Attachment L.

Recordkeeping System

An efficient recordkeeping system that supports all reimbursement under the Program must be established and maintained. Since many records must be kept on a daily basis, a good management practice is to establish a regular pattern and, if possible, have the same people assigned to keep specific records. An orderly system for filing records is essential and will save time each month when the claim for reimbursement is completed. In addition, this material should be readily available for review or audit by the administering agency and other representatives of the U.S. Department of Agriculture (USDA).

Training Records

Records of training sessions must be maintained. These records must contain dates, locations, topics and listings of participants attending.

Meal Service Records

Independent centers and sponsoring organizations must keep daily records of meal counts, attendance and menus to support the meal service claims. Approved applications for free and reduced price meals also support meal service claims and must be kept for each eligible participant.

Meal Count Records

Meal count records must be kept on a daily basis which include the number of meals served by type (breakfast, lunch, supper, or supplement) to enrolled participants. Sponsoring organizations must develop procedures for collecting this information from all adult care facilities under their sponsorship. Since the application for participation must include an outline of these procedures, it is a good management practice to include a copy of

the forms to be used for the daily meal count with the application to participate. This will enable the administering agency to review the forms to make sure they are adequate to collect the required information. A sample daily meal count form with instructions is included as Attachments M-1 and M-2.

Enrollment/Attendance Records

Records supporting the enrollment of all participants must be kept on file, as well as daily records of attendance for all participants in centers and sponsored facilities.

In addition, all proprietary Title XIX or Title XX centers, for each month Program reimbursement was claimed, must keep records to show that at least 25 percent of the enrolled participants were Title XIX and/or Title XX beneficiaries.

Records of Daily Menus

Daily records of menus must be kept to demonstrate that the requirements of the meal pattern were met.

Production Records

The administering agency may require that daily production records be kept in addition to daily meal counts and menus. A production record is a written record of the quantity of food prepared for each menu item served. Production records help document whether an adequate amount of food was prepared and served to enrolled participants to meet the Program's meal pattern requirements. A sample production worksheet with instructions is included as Attachments N-1 and N-2.

Income Eligibility Applications

Applications for participants who are eligible for free and reduced price benefits must be kept on file. A roster listing the name and eligibility status of each enrolled participant should be maintained and kept current. A sample roster form is included as Attachment O.

At least once each year the administering agency will require the submission of the current status of the number of enrolled participants that are eligible for free, reduced price, or paid meals. This information may be requested more frequently in order to verify the reimbursement. (For additional information see Chapter 4, Free and Reduced Price Meals, page 17.)

Title III Funds

Centers receiving funds from Title III of the Older Americans Act must provide records that document that meals claimed under the Program are not supported by Title III funds. For more discussion of this topic see Chapter 6, Title III Funding, page 40.

Records to Support Program Costs

Regardless of how independent centers or sponsoring organizations receive their reimbursement, they must keep records of operating and administrative costs. This is required whether the reimbursement is based on:

- the lesser of documented costs or the number of meals served by type, times the appropriate rate of reimbursement, or
- solely on the basis of the number of meals served by type, times the appropriate rate of reimbursement.

Operating Costs

Operating costs are costs incurred by independent centers and sponsoring organizations for the preparation and service of meals. Allowable operating costs include, but are not limited to:

- food costs;
- food service labor costs;
- costs for nonfood supplies; and
- costs for purchased services.

Food Costs

Food costs are expenditures for the food used in meals served to participants. The cost of the food may include the cost of the purchased food and the cost of processing, transporting, storing, and handling purchased and donated food, including USDA commodities. These costs must be documented by invoices, receipts, inventory records, and itemized bills. (See Reference Section, Attachment P.)

Food costs would be determined by the vendor's invoices for Program meals if under a contract with a food service management company, commercial vendor, or school.

Monthly/Yearly Inventory

Many administering agencies require the calculation of the "cost of food used" at the end of the month. In this case, monthly inventory records must be maintained. The Reference Section includes a sample inventory record and instructions for its use (Attachments Q-1 and Q-2).

Some administering agencies may, however, require an inventory to be taken once a year so they can make adjustments in the cost of food on an annual basis. In this case, the same inventory procedure would be followed but only once a year.

Records of Food Costs

The following outline shows the types of records that must be maintained to support your food costs:

Method of Purchasing Food	Records to Keep
A. Central purchasing by independent center or sponsoring organization (buys, stores and disburses food supplies directly to facilities)	1. Itemized receipts and invoices for all food costs 2. Inventory records for use in reporting the value of food used
B. Contract purchasing through a school or food service management company	1. Copy of contract or school agreement 2. Itemized billings from school or food service management company 3. Daily count of number of meals delivered
C. Direct purchasing	1. Itemized receipts and invoices for all food purchased 2. Inventory records as required by the administering agency

Food Service Labor Costs

Food service labor costs are defined as compensation paid by the independent center or sponsoring organization for labor needed for the operation of the food service. This may include wages, salaries, employee benefits, and the share of taxes paid by the independent center or sponsoring organization.

Food service labor is labor necessary to perform the following tasks:

- planning the menu;
- preparing, serving, and cleaning up after the meal;
- supervising day-to-day food service operations, including supervising participants while they are being served meals; and
- preparing daily Program meal service records.

Independent centers and sponsoring organizations must document the cost of food service labor. Records that must be maintained include payroll records and time and attendance reports. The value of donated labor may not be used to support program costs under this or any other category of total Program costs.

For part time food service staff, the cost of labor must be prorated so that program costs are supported by work performed in the Program's food service. In addition, if a portion of a food service staff member's salary is paid through another government or private source, accurate records must be maintained to ensure that duplicate payment is not made. The administering agency must give approval before any claim involving prorated food service labor costs can be paid. The Reference Section includes additional information about the records that must be kept when prorating food service labor costs (Attachment R).

Costs for Nonfood Supplies

Nonfood supplies include small kitchen equipment, paper goods (such as napkins and plates), and cleaning supplies used directly for the food service operation. Itemized receipts or invoices must be kept on file as documentation. Some administering agencies may require a monthly or yearly inventory of these supplies.

Costs for Purchased Services

Purchased services are those costs which include equipment rental, rental of facilities, and minor repairs. The costs for all food service rental and repair expenses must be documented. Costs for shared purchase services such as utilities, water, and gas must be prorated and documented. The administering agency will provide assistance on what records are needed to support these costs.

Administrative Costs

Administrative costs are costs incurred in administering the Program. Allowable costs include costs associated with planning, organizing, and managing a food service operation under the Program.

Administrative cost categories include the cost of labor, supplies, and mileage. Attachments S-1 and S-2 in the Reference Section provide a summary form of administrative expenses with instructions.

Administrative Labor Costs

Labor costs include compensation paid for labor needed for administering the Program. This may include wages, salaries, employee benefits, and the share of taxes paid by the independent center or sponsoring organization.

Administrative labor is labor necessary to perform tasks as they relate to the Program. These costs include:

- planning, organizing, and managing the food service operation;
- completing application materials;
- compiling daily records to complete the monthly reimbursement claim;
- training;
- preparing the monthly reimbursement claim; and
- monitoring Program operations.

The cost of administrative labor must be documented. Records that must be maintained include payroll records and time and attendance reports. The value of volunteer labor may not be claimed under this or any other category of total Program costs.

The labor costs of administrative staff that work part-time on Program administrative duties must be prorated so that only Program administrative labor is claimed for reimbursement. Accurate records must be maintained to ensure that payment is not duplicated through Program reimbursement if a portion of an administrative staff member's salary is paid through another source of income. In these cases, the administering agency must approve in advance the amount claimed for reimbursement. See Attachment R in the Reference Section for additional information about the records that must be kept when prorating food service labor costs.

Administrative Supplies

Costs incurred for supplies used to administer the Program may include:

- cost of printing or reproducing materials that are used for the Program;
- office supplies;
- telephone calls; and
- postage necessary for Program operations.

Itemized receipts, invoices, and other records must be kept to document these costs. Some administering agencies may require either a monthly or yearly inventory of administrative supplies. The administering agency will provide information about these costs.

Mileage

If vehicles owned by an independent center, a sponsoring organization, or an employee are used for Program administrative duties (such as visits to sites for monitoring or training), a mileage allowance may be claimed for reimbursement. Records must be kept to document the mileage claimed for reimbursement. The Reference section includes a sample mileage record (Attachment T).

The administering agency will provide information about the amount of reimbursement that can be claimed for mileage accrued while completing Program administrative duties.

Reimbursement Records

Independent centers and sponsoring organizations must maintain copies of all submitted claims for reimbursement as well as receipts of all Program payments made by the administering agency. In addition, sponsoring organizations must keep records of the amount and date of all disbursed funds to each facility.

Retention of Records

Records must be maintain for a minimum of 3 years after the end of the fiscal year to which they pertain unless your administering agency's policy has more stringent requirements. For example, records related to reimbursement for Fiscal Year 1993 (October 1, 1992 through September 30, 1993) must be kept until October 1, 1996. **Further, these records can only be disposed of if there are no unresolved audit findings or the Program is not under investigation.**

Reference Section

Definitions

The following definitions are contained in the CACFP regulations - 7 Code of Federal Regulations (CFR) Part 226.2.

Adult Day Care Center - Any public or private nonprofit organization or any proprietary Title XIX or Title XX center (as defined in this section) which is licensed or approved by Federal, State or local authorities to provide nonresidential adult day care services to:

- functionally impaired adults (as defined in this section); or
- persons 60 years of age or older.

Service is performed in a group setting outside the adults' homes on a less than 24-hour basis.

Centers provide for such care and services directly or under arrangements made by the agency or organization whereby the agency or organization maintains professional management responsibilities for all such services. Such centers provide a structured, comprehensive program that provides a variety of health, social and related support services to enrolled adult participants through an individual plan of care.

Adult Day Care Facility - A licensed or approved adult day care center that participates in the CACFP under the auspices of a sponsoring organization.

Adult Participant - A person enrolled in an adult day care center who is 18 years of age or older and is functionally impaired (as defined in this section) or 60 years of age or older.

Functionally Impaired Adults - Chronically impaired disabled persons 18 years of age or older, including victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, who are physically or mentally impaired to the extent that their capacity for independence and their ability to carry out activities of daily living is markedly limited. Activities of daily living include, but are not limited to, adaptive activities such as cleaning, shopping, cooking, taking public transportation, maintaining a residence, caring appropriately for one's grooming or hygiene, using telephones and directories, or using a post office. Marked limitations refer to the severity of impairment, and not the number of limited activities, and occur when the degree or limitation is such as to seriously interfere with the ability to function independently.

Institution - A sponsoring organization, child care center, outside school-hours care center or adult day care center which enters into an agreement with the State agency to assume final administrative and financial responsibility for food program operations.

Medicaid Participant - An adult participant who receives assistance under Title XIX of the Social Security Act, the Grant to States for Medical Assistance Programs - Medicaid.

Proprietary Title XIX Centers - Private, for-profit centers that provide nonresidential adult day care services for which it receives compensation from amounts granted to the States under Title XIX of the Social Security Act (which authorizes the Grants to States for Medical Assistance Programs - Medicaid) and in which Title XIX beneficiaries were not less than 25 percent of the enrolled eligible participants during the calendar month preceding initial application or annual reapplication for program participation.

Proprietary Title XX Centers - Private, for-profit centers that provide nonresidential adult day care services for which it receives compensation from amounts granted to the States under Title XX of the Social Security Act and in which Title XX beneficiaries were not less than 25 percent of the enrolled eligible participants during the calendar month preceding initial application or annual reapplication for program participation.

State Agency (Administering Agency) - The State educational agency or any other State agency that has been designated by the Governor or other appropriate executive, or by the legislative authority of the State, and has been approved by the Department to administer the Program within the State.

SSI Participant - An adult participant who receives Supplemental Security Income (SSI) assistance under Title XVI of the Social Security Act, the SSI for the Aged, Blind and Disabled Program.

Sponsoring Organization - Public or private nonprofit organization that is entirely responsible for the administration of the food program in:

- one or more day care homes;
- a child care center, outside-school-hours care centers, or adult day care center which is a legally distinct entity from the sponsoring organization;
- two or more child care centers, outside-school-hours care centers, or adult day care centers; or
- any combination of child care centers, adult day care centers, day care homes, and outside-school-hours care centers.

The term "sponsoring organization" also includes a for-profit organization which is entirely responsible for administration of the program in any combination of two or more child care centers, adult day care centers and outside-school-hours care centers which are part of the same legal entity as the sponsoring organization, and which are proprietary Title XIX or Title XX centers.

FNS Regional Offices

1. Northeast Regional Office
   FNS-SNP-USDA
   10 Causeway Street, Room 501
   Boston, Massachusetts 02222-1065
   Phone: (617) 565-6425

For the States of Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont.

2. Mid-Atlantic Regional Office
   FNS-SNP-USDA
   Mercer Corporate Park
   300 Corporate Boulevard
   Robbinsville, New Jersey 08691
   Phone: (609) 259-5050

For the States of Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia, the District of Columbia, the Virgin Islands, and Puerto Rico.

3. Southeast Regional Office
   FNS-SNP-USDA
   77 Forsyth Street, S.W., Suite 112
   Atlanta, Georgia 30303
   Phone: (404) 730-2612

For the States of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.

4. Midwest Regional Office
   FNS-SNP-USDA
   77 West Jackson Boulevard, 20th Fl.
   Chicago, Illinois 60604-3507
   Phone: (312) 353-6673

For the States of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.

5. Mountain Plains Regional Office
   FNS-SNP-USDA
   1244 Speer Boulevard, Suite 903
   Denver, Colorado 80204
   Phone: (303) 844-0354

For the States of Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, Utah, and Wyoming.

6. Southwest Regional Office
   FNS-SNP-USDA
   1100 Commerce Street, Room 5-C-30
   Dallas, Texas 75242
   Phone: (214) 767-0214

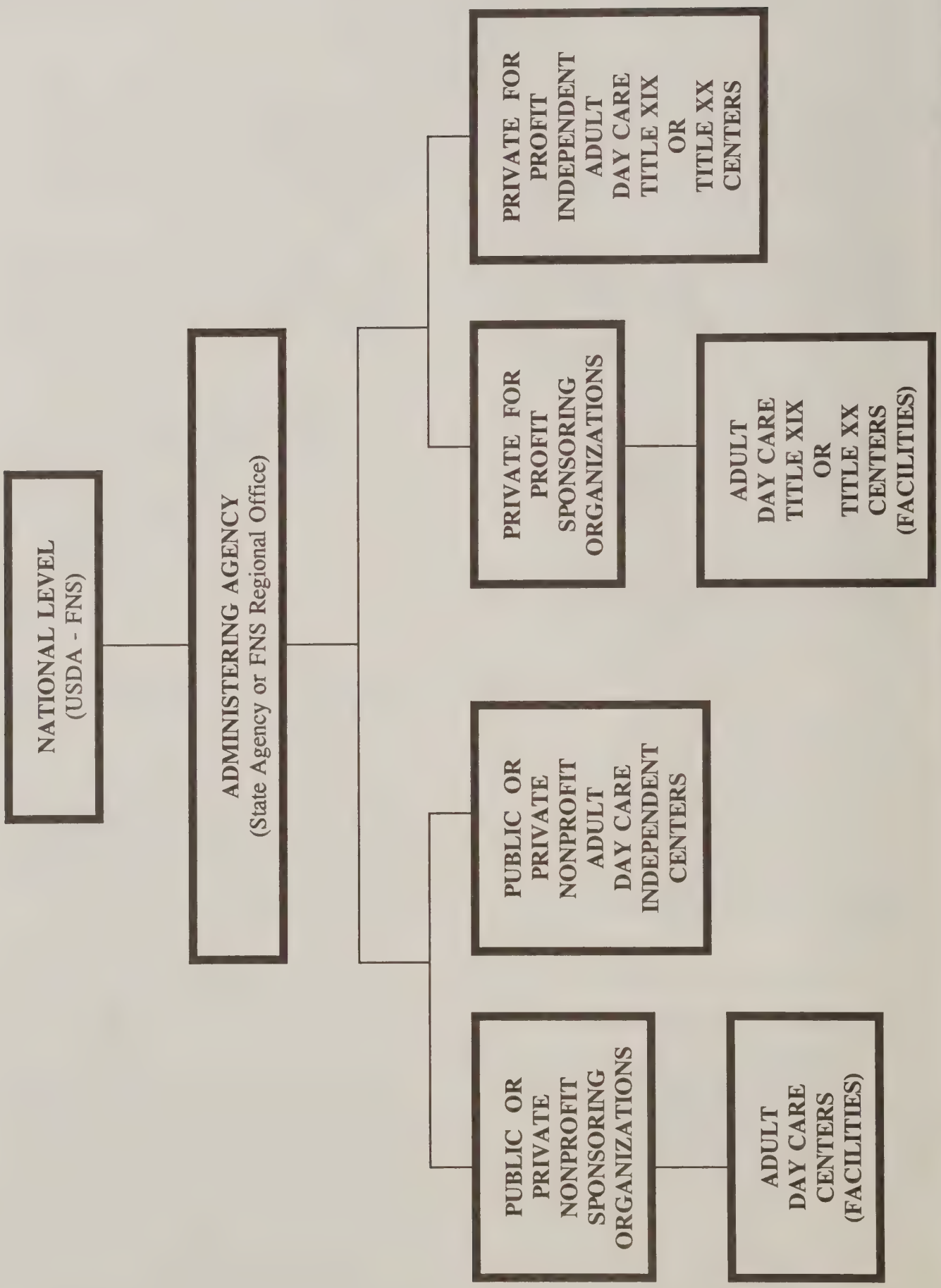
For the States of Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.

7. Western Regional Office
   FNS-SNP-USDA
   550 Kearny Street, Room 400
   San Francisco, California 94108-2518
   Phone: (415) 705-2229

For the States of Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Washington, and for American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

Attachment C

Organizational Chart



Income Eligibility Application Instructions

Please complete the Child and Adult Care Food Program income eligibility statement using the instructions below. Sign the statement and return the statement to the center. Call the center if you need help: #_____

PART 1 - PARTICIPANT'S INFORMATION: All HOUSEHOLDS COMPLETE THIS PART.

(1) Print the name of the adult enrolled in the center.

PART 2A - HOUSEHOLDS GETTING FOOD STAMPS, SUPPLEMENTAL SECURITY INCOME (SSI), MEDICAID, OR FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (FDPIR): COMPLETE THIS PART and PART 3.

(1) List your current food stamp case number, SSI identification number, Medicaid number, or FDPIR number for the participant. Do not complete Part 2B.

(2) An adult household member must **sign** the statement in PART 3.

PART 2B - ALL OTHER HOUSEHOLDS: COMPLETE THIS PART and PART 3.

(1) Write the names of everyone in the household. "Household" means the adult participant and, if residing with the participant, the spouse and dependent(s) of the adult participant.

(2) Write the amount and the frequency of income (i.e., weekly, every two weeks, twice a month, or monthly) received last month for each household member. This income is the amount before taxes or anything else is taken out, and where it came from, such as earnings, welfare, pensions, and other income (refer to examples below for types of income to report). If any amount last month was more or less than usual, write that person's usual income.

(3) An adult household member must sign the income eligibility statement and give his/her social security number in PART 3.

PART 3 - SIGNATURE AND SOCIAL SECURITY NUMBER: ALL HOUSEHOLDS COMPLETE THIS PART.

(1) All income eligibility statements must have the **signature** of an adult household member;

(2) The adult household member who signs the statement must include his/her **social security number.** If he/she does not have a social security number, write "none" or state that he/she does not have a social security number. If you listed a food stamp, SSI, Medicaid or FDPIR number, a social security number is not needed.

PART 4 - RACIAL/ETHNIC IDENTITY: Complete the racial/ethnic identity question if you wish. You are **not required** to answer this question to get meal benefits. However, this information will help ensure that everyone is treated fairly.

INCOME TO REPORT

Earnings from Work
- Wages/salaries/tips
- Strike benefits
- Unemployment compensation
- Worker's compensation
- Net income from self-owned business or farm

Welfare/Child Support/Alimony
- Public assistance payments
- Welfare payments
- Alimony/child support payments

Pensions/Retirement/Social Security
- Pensions
- Supplemental Security Income
- Retirement income
- Veteran's payments
- Social security

Other Income
- Disability benefits
- Cash withdrawn from savings
- Interest/Dividends
- Income from Estates/Trusts/ Investments
- Regular contributions from persons not living in the household
- Net royalties/annuities/ net rental income
- Any other income

Attachment D-2

Income Eligibility Application
Child and Adult Care Food Program

PART 1

Adult's Name: _____
Last First M.I.

PART 2A - HOUSEHOLDS NOW GETTING FOOD STAMPS, SSI, MEDICAID, OR FDPIR: Complete this part and sign the statement in Part 3 - DO NOT complete Part 2B.

Food stamp case number: _____ SSI identification number: _____
Medicaid assistance identification number: _____ FDPIR identification number: _____

PART 2B - ALL OTHER HOUSEHOLDS: If you did not write a food stamp, SSI, Medicaid, or FDPIR number or if you did not complete Part 2A, complete this part and sign the statement in Part 3.

NAMES	CURRENT INCOME/FREQUENCY			
Names of Family Members (Participant, Spouse, Dependent Children)	Earnings from Work (Before Deductions) Job 1	Welfare, Child Support, Alimony	Payments from Pensions Retirement, Social Security	Earnings from Job 2 or any Other Income
1._____	$_____/_____	$_____/_____	$_____/_____	$_____/_____
2._____	$_____/_____	$_____/_____	$_____/_____	$_____/_____
3._____	$_____/_____	$_____/_____	$_____/_____	$_____/_____
4._____	$_____/_____	$_____/_____	$_____/_____	$_____/_____
5._____	$_____/_____	$_____/_____	$_____/_____	$_____/_____
6._____	$_____/_____	$_____/_____	$_____/_____	$_____/_____
7._____	$_____/_____	$_____/_____	$_____/_____	$_____/_____
8._____	$_____/_____	$_____/_____	$_____/_____	$_____/_____

PART 3 - SIGNATURE: An adult household member must sign the statement before it can be approved.

PENALTIES FOR MISREPRESENTATION: I certify that all of the above information is true and correct and that the food stamp, SSI, Medicaid, or FDPIR number is correct or that all income is reported. I understand that this information is being given for the receipt of Federal funds; that institution officials may verify the information on the statement and the deliberate misrepresentation of the information may subject me to **prosecution under applicable State and Federal laws.**

Signature of adult: _____ **Social security number** ___ ___ ___ - ___ ___ - ___ ___ ___ ___

Printed name of adult: _____

Date signed	Home telephone	Work telephone	Home address	Zip code

PART 4 - RACIAL/ETHNIC IDENTITY: You are not required to answer this question.

[ ] WHITE, not of Hispanic Origin [ ] BLACK, not of Hispanic Origin [ ] HISPANIC [ ] ASIAN or PACIFIC ISLANDER
[ ] AMERICAN INDIAN or ALASKA NATIVE

Section 9 of the National School Lunch Act requires that, unless the participant's food stamp, SSI, Medicaid, or FDPIR number is provided, you must include the social security number of the household member signing the statement or an indication that the household member signing the statement does not possess a social security number. Provision of a social security number is not mandatory, but if a social security number is not provided or an indication is not made that the adult household member signing the statement does not have one, the statement cannot be approved. The social security number may be used to identify the household member in carrying out efforts to verify the correctness of information stated on the statement. These verification efforts may be carried out through program reviews, audits, and investigations and may include contacting employers to determine income, contacting a food stamp, SSI, Medicaid, or FDPIR office to determine current certification for receipt of food stamps, SSI, Medicaid, or FDPIR benefits, contacting the State employment security office to determine the amount of benefits received and checking the documentation produced by the household member to prove the amount of income received. These efforts may result in a loss or reduction of benefits, administrative claims, or legal actions if incorrect information is reported.

For Institution Use Only: Food stamp/SSI/Medicaid/FDPIR household categorically eligible free: _____
MONTHLY INCOME CONVERSION: WEEKLY X 4.33, EVERY 2 WEEKS X 2.15, TWICE A MONTH X 2
Total family income: _____ Family size: _____
Eligibility classification: Free _____ Reduced _____ Paid _____
Determining official: _____ Signature _____ Date: _____

Sample Letter for Pricing Programs

Participant or Guardian:

Please help us comply with the requirements of the U.S. Department of Agriculture's (USDA) Child and Adult Care Food Program. Complete, sign, and return the enclosed application form as soon as possible. This information is necessary so that we may receive reimbursement for the meals served to participants in our programs, and be able to provide meals at a lower cost or provide free meals. This form will be placed in our files and treated as **confidential** information. In order to be considered eligible for free or reduced price meals, your application must be completed as follows:

FOOD STAMP/SUPPLEMENTAL SECURITY INCOME (SSI)/MEDICAID/FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS HOUSEHOLDS (FDPIR): If the participant currently receives food stamps, SSI, Medicaid, or FDPIR benefits, the participant is automatically eligible for free meals. Therefore, you only have to list the participant's name and food stamp case number, SSI, Medicaid, or FDPIR identification number and sign the application.

ALL OTHER HOUSEHOLDS: If the participant's household income is at or below the level shown on the enclosed scale, the participant is eligible for either free or reduced price meals. To apply for meal benefits, you must provide the following information or the application cannot be approved.

- HOUSEHOLD MEMBERS: List the name of the participant, and the participant's spouse and any dependent children, who live with the participant.

- CURRENT INCOME: List the amount of income each person received **last** month (BEFORE deductions for taxes, social security, etc.), frequency of income and where it is from, such as wages, retirement, or welfare. If any household member's income last month was higher or lower than usual, list that person's usual average monthly income.

- SIGNATURE: An adult household member must sign the application.

- SOCIAL SECURITY NUMBER: List the social security number of the adult who signs the application. If the adult does not have a social security number, print "None."

You are required to notify us if there is a change in household size or an increase in income which exceeds $50 per month or $600 per year. If you list a food stamp, SSI, Medicaid, or FDPIR number, you must notify us when you no longer receive food stamps, SSI, Medicaid, or FDPIR benefits. Similarly, you should notify us if a household member becomes unemployed and of the loss of income during the period of unemployment.

The participant's household income may be verified at any time during the year. If you disagree with our classification of the participant, you may appeal the decision using the following procedure (insert or attach the appeal procedure).

In the operation of USDA's feeding programs, no one will be discriminated against because of race, color, national origin, sex, age, or disability. If you believe you have been discriminated against, write immediately to: Administrator, Food and Nutrition Service, 3101 Park Center Drive, Alexandria, VA 22302.

Sincerely,

[NOTE: Attach the Reduced Price Income Eligibility Guidelines]

Attachment F

Sample Letter for Nonpricing Programs

Participant or Guardian:

Please help us comply with the requirements of the U.S. Department of Agriculture's (USDA) Child and Adult Care Food Program (CACFP). Complete, sign, and return the enclosed application form as soon as possible. This information is necessary so that we may receive CACFP reimbursement for the meals served to participants. This form will be placed in our files and treated as **confidential** information. In order to be considered eligible for free or reduced price meals, the application must be completed as follows:

FOOD STAMP/SUPPLEMENTAL SECURITY INCOME (SSI)/MEDICAID/FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS HOUSEHOLDS (FDPIR): If the participant currently receives food stamps, SSI, Medicaid, or FDPIR the participant is automatically eligible for free meals. Therefore you only have to list the participant's name and food stamp case number, SSI, Medicaid, or FDPIR identification number, and sign the application.

ALL OTHER HOUSEHOLDS: If the participant's household income is at or below the level shown on the enclosed scale, the participant is eligible for either free or reduced price meals. To apply for meal benefits, the following information must be provided or the application cannot be approved.

- HOUSEHOLD MEMBERS: List the name of the participant and the participant's spouse, and any dependent children, who live in the participant's household.

- CURRENT INCOME: List the amount of income each person received **last** month (BEFORE deductions for taxes, social security, etc.), frequency of income and where it is from, such as wages, retirement, or welfare. If any household member's income last month was higher or lower than usual, list that person's expected average monthly income.

- SIGNATURE: An adult household member must sign the application.

- SOCIAL SECURITY NUMBER: List the social security number of the adult who signs the application. If that adult does not have a social security number, print "None."

You are required to notify us if there is a change in household size or an increase in income which exceeds $50 per month or $600 per year. If you list a food stamp, SSI, Medicaid, or FDPIR number, you must notify us when you no longer receive food stamps, SSI, Medicaid, or FDPIR benefits. Similarly, you should notify us if a household member becomes unemployed and of the loss of income during the period of unemployment.

In the operation of USDA's feeding programs, no one will be discriminated against because of race, color, national origin, sex, age, or disability. If you believe you have been discriminated against, write immediately to: Administrator, Food and Nutrition Service, 3101 Park Center Drive, Alexandria, VA 22302.

Sincerely,

[NOTE: Attach the Reduced Price Income Eligibility Guidelines]

Attachment G

Public Release (Pricing Programs)

The _____(Name of Center or Facility)_____ announces the sponsorship of the Child and Adult Care Food Program. Free and reduced price meals will be available to enrolled participants meeting the approved eligibility criteria at the centers listed below. Participants who are members of food stamp households or who are Supplemental Security Income, Medicaid, or Food Distribution Program on Indian Reservations recipients are automatically eligible to receive free meal benefits. These benefits will be provided without regard to race, color, national origin, sex, age, or disability. If you believe you or anyone has been discriminated against, write immediately to:

Administrator
Food and Nutrition Service
3101 Park Center Drive
Alexandria, VA 22302

(insert list of centers/facilities here)

Use current income guideline standards.

Attachment H

Public Release (Nonpricing Programs)

The _____(Name of Center or Facility)_____ announces the sponsorship of the Child and Adult Care Food Program. Meals will be available at no separate charge to enrolled participants at the centers below and will be provided without regard to race, color, national origin, sex, age, or disability. If you believe you or anyone has been discriminated against, write immediately to:

Administrator
Food and Nutrition Service
3101 Park Center Drive
Alexandria, VA 22302

(insert list of centers/facilities here)

Use current income guideline standards.

Attachment I

Agreement To Furnish Food Service

THIS AGREEMENT is made and entered into between (school)_____ _____ and the (independent center or sponsoring organization)_____.

WHEREAS the facilities of the (center or sponsor) _____ are not adequate for preparing and serving meals to participants, while the facilities of the (school) _____are adequate to serve meals to participants. The (school) _____ agrees to supply meals (inclusive/exclusive) of milk to (center or sponsor)_____ with and for the rates herein listed:

Breakfast.....	$_____each	Lunch.....$	_____each
Snacks.....	$_____each	Supper.....$	_____each

It is further agreed that the (school)_____, pursuant to the provisions of the Child and Adult Care Food Program regulations, attached copy of which is part of this agreement, will assure that said meals meet the minimum meal pattern requirements as to nutritive value and content, and will maintain full and accurate records that the (center or sponsor) _____ will need to meet its responsibility including menu records containing the amount of food prepared and daily number of meals delivered by type.

These records must be reported to the (center or sponsor) _____ promptly at the end of the month. (school) _____ agrees also to retain records required under the preceding clause for a period of 3 years after the end of the fiscal year to which they pertain (or longer, if an audit is in progress); and upon request, to make all accounts and records pertaining to the program available to representatives of the administering agency and the General Accounting Office for audit or administrative review at a reasonable time and place.

This agreement shall be effective as of (date) _____. It may be terminated by notice in writing given by any party hereto to the other parties at least 30 days prior to the date of termination.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the dates indicated below:

_____	_____
School Official	Center/Sponsor Official
_____	_____
Title, Date	Title, Date

Pre-approval Visit Form for Sponsoring Organizations

1. Name _____

   Address _____

   _____

   Telephone _____

2. License capacity _____ Expiration date _____

3. Total number of participants enrolled _____

4. Type of meal service: Breakfast ___ AM snack ___ Lunch ___ PM snack ___ Supper __

5. Time of meal service _____

6. Average number of meals served _____

7. What food preparation and service equipment is available? _____

   _____

8. Is this equipment adequate to prepare and serve the necessary meals? Yes _____
   No_____ If no, explain _____

9. What additional equipment is needed? _____

10. Have recordkeeping requirements been explained to and discussed with the facility personnel? Yes _____ No _____ If no, explain_____

    _____

11. Is the facility willing to and capable of maintaining the required records daily?
    Yes _____ No _____ If no, explain _____

    _____

_____ _____
Signature of Sponsoring Organization Representative Date

_____ _____
Signature of Facility Representative Date

Sponsoring Organization Review Form

1. Name _____

   Address _____

   _____

   Telephone _____

2. Licensed capacity _____ Expiration date _____ Total participants enrolled _____

3. Dates of operation _____ Operating days _____ Hours _____AM to _____PM

4. Average number of participants served at each meal and time of service:

	Average Number of Meals	Times of Meal Service
Breakfast	_____	_____
AM snack	_____	_____
Lunch	_____	_____
PM snack	_____	_____
Supper	_____	_____

5. Does the time between meal servings seem reasonable? Yes _____ No _____

6. Has the staff attended the sponsoring organization's training sessions? Yes ____ No ___

   When? _____ What topics were covered? _____

   _____

7. Briefly describe the organized activities at the facility. _____

   _____

   _____

8. Food Service

A. How far in advance are menus planned? _____

B. What food service guidance materials are available at the facility? _____

_____

Are the guidance materials adequate? Yes _____ No _____ (If no, explain) _____

_____

C. Based on the past month's menus:

(1) Are menus retained on file? Yes _____ No _____ Where? _____

(2) Are all of the required components served for each meal? Yes _____ No _____

(If no, describe what components are missing.) _____

_____

(3) Does the facility staff demonstrate familiarity with the types and quantities of food required for each type of meal service? Yes _____ No _____

9. Sanitation

A. Are sanitary procedures followed in all aspects of food service? Yes ____ No _____

(If no, explain) _____

B. Is the kitchen area kept clean at all times? Yes _____ No _____

(If no, explain) _____

C. Are the dishes sanitized after washing and rinsing? Yes _____ No _____

D. Are refrigeration facilities adequate for cold and frozen foods? Yes _____ No _____

E. Is the cold storage 40 degrees F or below? Yes _____ No _____

F. Is the freezer storage 0 degrees F or below? Yes _____ No _____

G. Is there evidence of insect or rodent infestation? Yes _____ No _____

If yes, what measures are being taken to eliminate this problem? _____

_____

H. Are frozen perishable foods thawed under refrigeration? Yes _____ No _____

I. Are all insecticides, polishes, and cleaning compounds stored in an area separate from food and in an area that is not accessible to participants? Yes _____ No _____

10. Space, Facilities, and Equipment

A. Is there adequate dry storage for food items? Yes _____ No _____

B. Is dining space adequate for the number of participants enrolled? Yes ____ No ____

C. Is there working equipment for heating food? Yes _____ No _____

D. Is there a working refrigerator-freezer available? Yes _____ No _____

E. Is a sink with running hot and cold water available? Yes _____ No _____

11. Recordkeeping

A. Are the income eligibility applications approved correctly? Yes_____ No_____
If no, explain_____

B. Are daily records kept of the number of meals served to participants and program adults (if applicable)? Yes _____ No _____

C. Are accurate attendance records maintained on participants separate from meal count records? Yes _____ No _____

D. Are records given to the sponsoring organization on a regular basis as provided for in the agreement between the sponsoring organization and the facility? Yes _____ No _____

E. Is there a copy of the agreement between the sponsoring organization and the facility on file? Yes _____ No _____ Where? _____

12. Meal Service

A. For the meal service(s) you observe, record the types and quantity of food prepared.

Item	Foods Used	Amount Served to Each Participant
Milk as a Beverage	_____	_____
Fruit or Vegetable or Juice	_____	_____
Bread or Bread Alternate	_____	_____
Meat or Meat Alternate	_____	_____
Additional Food	_____	_____

B. Note any missing components or insufficient quantities of food in today's meal service._____

C. If served family style, were the appropriate quantities of each food item placed on the table? Yes_____ No_____

D. Number of participants served: _____
Number of program adults (if applicable) served: _____

E. Are meals counted at the point of service? Yes_____ No_____ If no, explain
_____

13. Civil Rights

A. Are admission and placement criteria and procedures nondiscriminatory?
Yes_____ No_____

B. Is "Justice for All" poster on display? Yes_____ No_____

C. Has a public announcement been made stating that admission is open to all regardless of race, color, national origin, sex, age, or disability? Yes_____
No_____ Give dates announcements were made._____. Attach copies.

If copies are not available describe._____

D. Is there any separation by race, color, national origin, sex, age, or disability? Yes_____ No_____

E. Are all services and facilities used routinely by all persons without regard to race, color, national origin, sex, age, or disability? Yes_____ No_____

F. In the opinion of the reviewer based on information obtained by personal observation does the institution or facility appear to be in compliance with Title VI of the Civil Rights Act of 1964? Yes_____ No_____ If no, explain_____

_____

14. Write a short summary of your visit. Point out program strengths and weaknesses. Give your opinion on how the program could be improved. Recommend changes that you see as desirable or required. (**Note:** Short comments such as "good program" are not sufficient.)

_____

_____

_____

_____

15. A. List problem areas noted during most recent prior review and give date of that review._____

_____

B. Have these problems been corrected as of today's visit? Yes _____ No _____ If no, indicate what follow-up action is necessary and the timeframe required for correction.

_____

_____

_____

_____	_____	_____
Signature of Reviewer	Title	Date

Checklist of Records

_____ Administrative cost records
_____ Agreement with school for food service
_____ Claim for reimbursement form
_____ Communication
_____ Contract with food service management company/commercial vendor
_____ Daily meal counts
_____ Depreciation summary
_____ Equipment record cards (where applicable)
_____ Food receipts or invoices
_____ Income eligibility applications
_____ Inventories of food and nonfood items
_____ Labor study documentation
_____ Menus
_____ Participant's attendance records
_____ Payroll documents
_____ Pre-approval review forms
_____ Printing
_____ Production records
_____ Rental agreements
_____ Repair bills
_____ Review forms
_____ Salaries
_____ Supplies
_____ Time and attendance reports for employees
_____ Training
_____ Travel
_____ Utility bills
_____ Other

Daily Meal Count Form Instructions

Item Number

1. Enter the name of the center or the facility.

2. Enter the time period covered by the form.

3. Keep tally or enter the number of meals served to adults who are eligible for free, reduced price, and paid meals for each meal service, if applicable. Additionally, enter the total number of meals served to adult participants for each meal service and to Program adults, if applicable.

Daily Meal Count Form

(1) Name: (2) Week of:

	Monday Date_____					Tuesday Date_____					Wednesday Date_____					Thursday Date_____					Friday Date_____				
(3)	F	R	P	AP	PA	F	R	P	AP	PA	F	R	P	AP	PA	F	R	P	AP	PA	F	R	P	AP	PA
Breakfast																									
AM Snack																									
Lunch																									
PM Snack																									
Supper																									

F, R, P - Free, reduced price, paid
AP - Total number of meals served to adult participants
PA - Total number of meals served to program adults (if applicable)

Daily Menu Production Worksheet Instructions

Item Number

1. Enter the calendar date showing month, day, and year.

2. Enter all menu items served on this date for the appropriate meal service.

3. Enter the name of each food used to meet meal or snack requirements. For a menu item like beef pot pie, the foods that meet the meal requirements at lunch or supper could be: stew beef would meet the meat/meat alternate requirement; potatoes and carrots in the pie would meet part of the fruit/vegetable requirement; the pie crust would meet part or all of the bread/bread alternate requirement.

4. Enter quantity of each ingredient or food item used to meet the meal requirements. Use weights, measures or number, (e.g., stew beef, 10 lbs; potatoes, 3 lbs; etc.).

5. Enter the portion or serving size of each menu item served (e.g., 5 oz. pie, 1/2 cup juice). Serving sizes can be shown in measures (such as cup measures, scoop size, ladle size), weight, or number (such as medium apple).

6. Enter number of adult participants served at each meal/snack.

7. Enter the program adults served at each meal/snack (if applicable).

Daily Menu Production Worksheet

(1) Date

Meal Pattern		Menu (2)	Food Item Used (3)	Quantity Used (4)	Size Serv-ing (5)	A P (6)	P A (7)
Breakfast	Milk, Fluid Juice or Fruit or Vegetable Bread/Bread Alternate						
AM Snack	(Select 2) Milk, Fluid Juice or Fruit or Vegetable Bread/Bread Alternate Meat/Meat Alternate						
Lunch	Milk, Fluid Vegetable and/or Fruit (2 or more) Bread/Bread Alternate Meat/Meat Alternate						
PM Snack	(Select 2) Milk, Fluid Juice or Fruit or Vegetable Bread/Bread Alternate Meat/Meat Alternate						
Supper	Vegetable and/or Fruit (2 or more) Bread/Bread Alternate Meat/Meat Alternate						

AP - Adult Participants
PA - Program Adults

Roster of Adult Day Care Participants

Name of Participant	Date Entered into Program	Date Exited from Program	Category of Eligibility*	Date & Initials of Determining Official

* Free, reduced price, or ineligible for free and reduced meals (paid).

Attachment O

Worksheet for Cost of Food Used

1. Name _____

2. Month/Year _____

3. Cost of food used:
   - A. Beginning inventory $_____
   - B. Inventory adjustment (+ or -) _____
   - C. Purchases (including milk) _____
   - D. Total food available _____
   - E. Less ending inventory _____
   - F. Total cost of food used _____

Instructions

1. Enter name of center.

2. Enter month and year.

3. A. Enter dollar value of beginning inventory.

   B. Enter amount of adjustment (plus or minus) for any transfer, spoilage, pilferage, etc. (Explain any adjustment on the back of this form).

   C. Enter the dollar value of all food purchases made during the month. This should equal food expenditures.

   D. Enter the total of A + C (+ or -) B.

   E. Enter dollar value of ending inventory.

   F. Enter the total of D - E (total cost of food used).

Transfer the total arrived at in 3F to your reimbursement voucher.

Inventory Control Sheet Instructions

The value of the beginning inventory is determined by taking a physical count before the food service operation begins. The value of the beginning inventory thereafter is the same as the ending inventory for the previous month.

A complete physical inventory of all purchased foods, commodities, and supplies on hand must be taken at the end of the reporting period.

For ease in taking a physical count of foods in storage, arrange the items according to food groups in the storage area and arrange each group in alphabetical order, for example, canned fruits and fruit juices - apples, apricots, etc. Store food in cases, boxes, or other containers marked with the date received and cost per unit to facilitate the taking of inventories.

Column 1. Enter the name of the food item, such as asparagus, green beans, or mayonnaise.

Column 2. Enter the size pack, such as, 6/#10 case, #50 bag, or #10 can. If different size containers of the same food item are on hand, use a separate line for each size and a separate line for each different unit cost of the same size pack.

Column 3. Enter the number of units (of the size shown in column 2) found on hand from actual count.

Column 4. Enter the unit cost for the size unit shown in column 2 (use the unit cost written on package or unit).

Column 5. Obtain the total cost by multiplying the number of units (column 3) by the unit cost (column 4) and enter in column 5. Add column 5 (total cost) on all pages for the inventory at the end of the month. This total is the value of the ending inventory.

This is a permanent source document and must be retained for a period of 3 years after the end of the fiscal year to which it pertains.

Attachment Q-2

Inventory Control Sheet

Name

Date

Beginning Inventory $

Food Item (1)	Purchase Unit-- Size & Description (case, bag, can, lb.) (2)	# of Units on Hand (3)	Unit Cost (4)	Total Cost (5)

Ending Inventory $

Records Necessary for Prorated Labor Costs

For staff members who work part-time on the Child and Adult Care Food Program (CACFP) and part-time in other duties or programs, the costs must be prorated so that only the CACFP labor is claimed for reimbursement. The amount claimed may be based on a percentage of or other stipulated dollar amount. This amount must be approved in advance by the administering agency and is based on a reasonable approximation of labor cost actually incurred by the CACFP. Generally, the administering agency will require evidence (such as a 2-week work study) to substantiate the amount of time those employees devote to food service. Such amounts must not result in increasing any individual's salary or represent dual funding for the same activity.

Types of records of labor costs are:

- Daily time sheets completed by the employee showing the total number of hours spent on food service.

or

- Copy of an annual work study for each employee to establish the average amount of time spent on food service each day. This study must cover a 2-week period and each meal type for which reimbursement is claimed.

or

- An approved allocation formula in those situations where the employee is paid by other Federal, State, or local governmental sources for day care services that may duplicate USDA payments.

Summary of Administrative Expenses Instructions

Item Number

1. Enter the name of the center or facility.

2. Enter the time period (month and year) covered by the form.

3. Enter:
   a. the position,
   b. the number of people working in that position,
   c. the hourly salary rate they receive,
   d. the number of hours they spend working with food service,
   e. the total dollar amount spent on salaries for that position (b x c x d), and
   f. the total dollar amount spent on salaries.

4. Enter the total dollar amount spent on salaries during the month (item 3f).

5. Enter the total dollar amount spent on transportation during the month.

6. Enter the total dollar amount spent on communication during the month.

7. Enter the total dollar amount spent on the rental of office space during the month.

8. Enter the total dollar amount spent on office supplies during the month.

9. Enter the total dollar amount spent on utilities during the month.

10. Enter the total dollar amount spent on miscellaneous administrative supplies or services during the month that do not fall under any of the categories mentioned above.

11. Add items 4 through 10 and enter the total administrative expenses for the month.

Be sure you collect and keep the receipts for all of the administrative expenses (i.e., cancelled checks, gasoline receipts, receipts for printing).

Attachment S-2

Summary of Administrative Expenses

1. Name _____

2. Month and Year _____

3. Position (a)	# of People in that Position (b)		Salary per Hour (c)		# of Hours Spent on Food Service (d)		Total (e)
_____	_____	x	$_____	x	_____	=	$_____
_____	_____	x	$_____	x	_____	=	$_____
_____	_____	x	$_____	x	_____	=	$_____
_____	_____	x	$_____	x	_____	=	$_____
_____	_____	x	$_____	x	_____	=	$_____

(f) Total salaries paid $_____

4. Salary $_____
5. Transportation $_____
6. Communication $_____
7. Rental of office space $_____
8. Office supplies $_____
9. Utilities $_____
10. Other (specify) $_____

    $_____

    $_____

11. **Total** $_____

Administrative Mileage Record

Name of Employee

Date	Odometer Reading Start	Odometer Reading Stop	Number of Miles	Itinerary

Signature of Employee

Attachment T

Child and Adult Care Food Program Resources

Sources of Nutrition Information

For audiovisual and print materials related to food service and nutrition education, contact the Food and Nutrition Information Center (FNIC). FNIC materials include books, journal articles, pamphlets, government documents, special reports, proceedings, and bibliographies. In addition, FNIC maintains a collection of nonprint media in the form of films, filmstrips, slides, games, charts, audiotapes, and video cassettes. Contact:

The Food and Nutrition Information Center
National Agricultural Library, Room 304
Beltsville, Maryland 20705
Telephone: (301) 504-5719

There are many other sources of information about nutrition within your own community. They can provide you with valuable resource materials, filmstrips, bibliographies, and contacts to expand or improve your organization's nutrition resource center. Contact your local office of any of these groups for more information.

Cooperative Extension Service (County Extension Agent)

Department of Health and Human Services, Food and Drug Administration

Health Department

Public Library

Department of Social Services or Public Welfare

College or University Home Economics Department

Dairy Council

American Dietetics Association (or State level office)

American School Food Service Association (or State level office)

Utility Company Home Service Department

Nutrition Education and Training Coordinators

Alabama - Janice Wood, (205) 242-8225

Alaska - Kathleen Hays, (907) 465-8708

Arizona - Karen Woodhouse, (602) 542-3362

Arkansas - Wanda Shockey, (501) 324-9502

California - Jacqui Smith, (916) 657-3389

Colorado - Judy Schure, (303) 866-6661

Connecticut - Susan Fiore, (203) 638-4236

Delaware - Nancy Ford, (302) 739-4717

District of Columbia - Barbara Adams, (202) 576-7400

Florida - Carol Frazee, (904) 488-8375

Georgia - Ruth Gordon, (404) 656-2457

Hawaii - Ann Horiuchi, (808) 396-2563

Idaho - SeAnne Safaii, (208) 334-3106

Illinois - James Burke, (217) 782-2491

Indiana - Jane Regnier, (317) 232-0866

Iowa - Christine Anders, (515) 281-4758

Kansas - Sandra Ford, (913) 296-2276

Kentucky - Linda Dunsmore, (502) 564-4390

Louisiana - Alice Carroll, (504) 342-3695

Maine - Judy Cogburn, (207) 287-5315

Maryland - Linda Van Rooy, (410) 333-1942

Massachusetts - Stephen Carey, (617) 388-3300

Michigan - Claudette Nelson, (517) 373-9968

Minnesota - Barbara Kalina, (612) 296-0192

Mississippi - Beverly Ferrell, (601) 359-2934

Missouri - Roberta Richey, (314) 751-6183

Montana - Mary McAulay, (406) 444-4414

Nebraska - Mary Ann Brennan, (402) 471-3658

Nevada - Carolyn Garland, (702) 486-6455

New Hampshire - Deborah Edgecomb Fleurant, (603) 271-3646

New Jersey - Jacqueline Frederick, (201) 266-8660

New Mexico - Blanche Harrison, (505) 827-2474

New York - Gordon Odermann, (518) 474-1491

North Carolina - Linda Greene, (919) 715-1820

North Dakota - Loris Freier, (701) 224-2294

Ohio - Meg Wagner, (614) 752-8997

Oklahoma - Denise Wieland, (405) 521-3327

Oregon - Peggy Holstedt, (503) 378-3602

Pennsylvania - Sally Anger, (717) 787-7698

Puerto Rico - Fransicsca Montalvo-Rosado, (809) 753-9403

Rhode Island - Adrienne DiMeo, (401) 277-6175

South Carolina - Dean Baltzigar, (803) 734-8208

South Dakota - Sandy Kangas, (605) 773-3413

Tennessee - Helen Derryberry, (615) 741-2927

Texas - Deborah Simpson, (512) 467-5816

U.S. Virgin Islands - Paula Mydlenski, (809) 774-9373

Utah - Vacant, (801) 538-7688

Vermont - Allison Gardner, (802) 863-7330

Virginia - Marlene Culpepper, (804) 225-2433

Washington - Jeff Carpenter, (206) 753-6752

West Virginia - Mary Kay Harrison, (304) 558-2708

Wisconsin - Barbara Hetzel, (608) 267-9120

Wyoming - Jeanne Puerta, (307) 777-6270